



Daily Report

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Daily Report

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General

Tang Stresses Importance of Resuming U.S.-DPRK Talks

OW1406112894 Tokyo NHK General Television Network in Japanese 1000 GMT 14 Jun 94

[Announcer-read report over video: from "NHK News 7" program]

[Text] During his meeting with Taku Yamasaki, former director general of the Defense Agency, and other opposition Liberal Democratic Party lawmakers who are on a visit to China, Chinese Vice Foreign Minister Tang Jiaxuan pointed out that the 10 June sanctions imposed by the IAEA against North Korea have resulted in the present situation; and he stressed the importance of resuming high-level talks between the United States and North Korea to resolve the North Korean nuclear issue through dialogue.

During the meeting, the Chinese vice minister also said: What is important is to keep North Korea from withdrawing from the Nuclear Non-Proliferation Treaty; the situation surrounding the North Korean nuclear issue has now reached a breaking point. If U.S.-North Korean high-level talks are resumed, it will be possible to resolve the North Korean nuclear issue. All nations involved need to urge both the United States and North Korea to resume high-level talks. In this way, he stressed the importance of resuming U.S.-North Korean high-level talks.

According to the opposition Social Democratic Party of Japan delegation, which is now visiting Pyongyang, North Korea has voiced strong discontent with moves by the United States and other nations to impose sanctions against it. It also has insisted that efforts be made to look for a way to resume U.S.-North Korean high-level talks since there is no longer a channel for dialogue with the IAEA.

ROK President Meets With Former President Carter

OW1406153894 Beijing XINHUA in English 1450 GMT 14 Jun 94

[Text] Seoul, June 14 (XINHUA)—South Korean President Kim Yong-sam exchanged views with former U.S. President Jimmy Carter here Tuesday [14 June] evening on the nuclear issue of the Democratic People's Republic of Korea (DPRK).

Carter arrived here Monday in a prelude to his visit to the DPRK with the possibility of his mediation in the nuclear problem.

During the talks over dinner which lasted two and half an hours, President Kim said that the nuclear issue has reached "a critical stage" due to Pyongyang's announced withdrawal from the International Atomic Energy Agency (IAEA).

On Monday, the DPRK announced that it will immediately quit the IAEA, the United Nations nuclear watchdog, and accept no more IAEA inspections of its nuclear program.

Kim explained to Carter about the South Korean Government's firm stance toward the nuclear issue, a source said.

The source said that Kim asked Carter to convey Seoul's concern and position with regard to the DPRK's IAEA withdrawal.

Carter was said to have explained to Kim about the purpose of his visit to the DPRK and promised to relay Seoul's position to Pyongyang correctly.

The former U.S. President will pass through the heavily-fortified truce village of Panmunjom into the DPRK on Wednesday morning and is expected to meet DPRK leader Kim Il-song.

Carter will return to Seoul on June 18 via Panmunjom and meet again with South Korean President Kim Young-sam before heading back to Washington.

Carter came here at a time when the U.S., South Korea and Japan are seeking United Nations sanctions against the DPRK.

Pyongyang insists that its nuclear program is strictly peaceful and warned that any sanctions aimed at forcing it to accept inspections will be regarded as a declaration of war.

Carter said earlier that his trip to the Korean peninsula would be private. "My hope is to discuss some of the important issues of the day with leaders of the area," he added.

The former U.S. president has been active in resolving conflicts in Panama, Nicaragua and Sudan, among others.

DPRK Notifies U.S. of Withdrawal From IAEA

OW1406225194 Beijing XINHUA in English 2232 GMT 14 Jun 94

[Text] Washington, June 14 (XINHUA)—The Democratic People's Republic of Korea (DPRK) notified the United States today that it was withdrawing from the International Atomic Energy Agency (IAEA).

The DPRK Foreign Minister Kim Yong-nam faxed his country's notice of leaving the IAEA to U.S. Secretary of State Warren Christopher, a senior U.S. official said.

Under the IAEA statute, states may withdraw from the IAEA by actually notifying the United States Government, because the U.S. Government is the depository state for instruments of IAEA membership.

The senior U.S. official said Kim told Christopher that would leave international inspectors with nothing to do in the DPRK.

The official commented that the U.S. administration would have to do something about it and take an accelerated approach to sanctions against the DPRK.

U.S. Secretary, Kozyrev Discuss DPRK Issue

OW1406210594 Beijing XINHUA in English 2038
GMT 14 Jun 94

[Text] Washington, June 14 (XINHUA)—U.S. State Secretary Warren Christopher called Russian Foreign Minister Andrey Kozyrev today to discuss the Democratic People's Republic of Korea (DPRK) nuclear issues.

President Bill Clinton and Russian President Boris Yeltsin also had a discussion about DPRK by telephone last night.

The two foreign ministers at the instructions of the presidents followed up on that conversation today, said Mike McCurry, State Department spokesman, at a regular news briefing.

Christopher and Kozyrev "obviously discussed Korea at some length, and particularly the announcement by North Korea yesterday concerning its status in the International Atomic Energy Agency," McCurry said.

Both of them "agreed that announcement was most serious," he said, "They agreed that they would continue their very close consultations on addressing this issue through our representatives at the United Nations."

Christopher also discussed the DPRK issue last night in a phone call with Japanese Foreign Minister Koji Kakizawa, McCurry disclosed. They had "very productive consultations" on the issue, he added.

In addition, Christopher and Kozyrev talked about the Partnership for Peace and Russia's impending decision or agreement to join the Partnership for Peace.

And finally they discussed Bosnia and the work of the contact group, which resumes on Thursday [16 June], the spokesman said.

Daily Discounts War Possibilities in DPRK, Bosnia

HK1506100894 Hong Kong HSIN WAN PAO in Chinese 15 Jun 94 p 3

[("Evening Talk" by Yang Chu (5017 2612): "Is a World War To Break Out?"—On Korean Peninsula Situation]

[Text] A tense situation has arisen in the East, and another in the West. The former is on the Korean Peninsula, and a war seems to be erupting. The latter is in Bosnia, in southern Europe, and Russian Foreign

Minister Kozyrev said that if the situation were not handled well, it would result in a world war!

As a matter of fact, whether the situation is more tense in the East or in the West, it will only lead to an outcome, that is, the situation will relax after a moment of tension, and no war will erupt. Neither the situation on the Korean Peninsula nor that in Bosnia will trigger a world war.

The situation on the Korean Peninsula is tense. After seceding from the IAEA, the DPRK now is saying that it may withdraw from the Nuclear Non-Proliferation Treaty. The United States said that it would impose severe sanctions on the DPRK and that if the motion is not adopted by the UN Security Council, it—together with its several allies—would impose sanctions on the DPRK. The DPRK's reaction, however, was that: If you impose sanctions on us, it will mean a war.

It seems there is no leeway left.

Is this the case? The answer is no. Former U.S. President Carter is now maneuvering in the DPRK. China too is persuading various parties and hopes that the talks can be resumed to bring about peace. Russia also took the stand of discussing and settling the dispute through talks when it proposed the idea of calling an international conference.

The most fundamental question is: Who wants to go to war? Is it the DPRK? No, it cannot afford a war. In modernized warfare, a small country with few soldiers will use up all its strength very quickly, which is not worthwhile. What about the United States? Clinton is full of worries and dares not make any decision, even when thinking for a long time about dispatching troops to Haiti to deal with the 7,500-strong Haitian armed forces, who are equipped only with obsolete firearms dating back to World War II, so he certainly will not provoke the DPRK troops, who are more ferocious. If half of the more than 30,000 U.S. soldiers stationed in the ROK are killed, would he still be President?

As said before, the DPRK really wants to open a dialogue with the United States, to win U.S. diplomatic recognition, and to receive U.S. economic aid. In any case, no war will erupt as long as no party really wants it. As the saying goes, one hand alone cannot clap; now that neither hand wants to clap, how can a sound be made?!

On the other hand, the U.S. Senate and House of Representatives have adopted a resolution to lift the arms embargo on Bosnia, but Clinton can use his presidential power to veto it. The Congress needs a two-thirds absolute majority vote to overrule Clinton's veto.

Now Russia is not the only country against lifting the arms embargo on the Bosnian Muslims; Britain and Canada also object to it. Clinton must seriously consider this.

Even if the arms embargo is lifted, it will not necessarily lead to a world war. Who is going to fight the so-called

world war? Russia and the United States? A nuclear war? Their strategic nuclear missiles are no longer trained on each other. The United States is using its money and technology to help the Russians dismantle their nuclear weapons, and U.S. experts and journalists have visited Russian nuclear missile bases, which in the past were kept absolutely secret. Moscow is placing its hopes for economic restructuring on the West; how can it be in the mood to fight a war? Kozyrev's bluff only lays him open to ridicule!

IAEA Reviews Draft Nuclear Safety Convention

OW1506041694 Beijing XINHUA in English 0329
GMT 15 Jun 94

[Text] Vienna, June 14 (XINHUA)—Delegates from 75 countries, including China, met here on Tuesday [14 June] to discuss a draft nuclear safety convention on new safety standards for nuclear power plants.

The three-day international conference, organized by the International Atomic Energy Agency (IAEA), will vote on the draft convention which will require its signatories to close down unsafe nuclear power plants.

The agreement will be formally signed at an IAEA conference scheduled for this September if it is approved at the meeting.

According to the convention, signatories will be responsible for choice of location, planning, building, operation, distribution of personnel and capital, and safety assessments of their nuclear power stations.

Under the convention, signatories are also obliged to report on the implementation of the agreement at regular iaea meetings.

More than 420 nuclear power plants are now operating in some 30 countries worldwide.

Beijing 'Seeks Advice' on GATT Entry at Japanese Forum

HK1506064294 Beijing CHINA DAILY in English
15 Jun 94 p 2

[By Wang Yong: "China Seeks Advice on GATT"]

[Text] China will consult major Asia-Pacific countries this week on rejoining the General Agreement on Tariffs and Trade (GATT), a senior official said yesterday.

The consultation will take place at the two-day Awashima Forum, which starts in Japan on Friday.

The forum, organized by the Japan Institute of International Affairs, will shed light on Asia-Pacific cooperation after the conclusion of the Uruguay Round in April.

Almost all the countries and regions in the Asia-Pacific Rim are expected to participate in the conference.

"We attach great importance to integration with the Asia-Pacific economies, with which most of our trade is involved," said Long Yongtu, assistant minister at the Ministry of Foreign Trade and Economic Cooperation (MOFTEC).

He leaves today for Japan together with a senior Chinese research fellow in the automobile industry.

He said that the advice of Asia Pacific nations would be beneficial to China.

Most countries in the region support China's re-entry into the global free trade body because they know that today's multilateral trade system would be incomplete without Chinese participation.

International Conference on PRC Telecommunications Opens

OW1006100394 Beijing XINHUA in English 0913
GMT 10 Jun 94

[Text] Beijing, June 10 (XINHUA)—The first high-level international conference on the development strategy of China's telecommunications opened here this morning.

Vice-Premier Li Lanqing met some of the experts from at home and abroad attending the conference just before the opening ceremony.

Ye Qing, vice-minister of the State Planning Commission (SPC), told the conference that the telecommunications industry, as an important basic industry in China's national economy, should maintain its fast development momentum for a period ahead.

SPC is now organizing relevant departments to formulate policies and plans for China's telecommunications development, Ye said, adding that China will consider the successful experience of other countries in this regard.

The two-day conference is co-sponsored by SPC, U.S. Morgan Stanley Corporation, Arthur Andersen Corporation and Capitel International. Over 100 officials, experts and managers from Chinese departments, the United States, the Republic of Korea, Britain, Japan and Argentina will exchange ideas on issues of the economic and technical situation of the global telecommunications system and the development and reform of China's telecommunications.

'News Analysis' Views Effect of WTO on U.S. Sovereignty

OW1506041594 Beijing XINHUA in English 0305
GMT 15 Jun 94

["News Analysis" by Wang Nan: "Will WTO Reduce or Enhance U.S. Sovereignty?"]

[Text] Washington, June 14 (XINHUA)—Washington never lost a war or won a treaty. To some lawmakers on capitol hill, this is still true.

The treaty is the final pact of the Uruguay Round talks of the General Agreement on Tariffs and Trade (GATT). Signed on April 15, it will create the World Trade Organization (WTO), a global trading system supposedly based on sound principles.

Within the WTO, Washington will not enjoy veto power. With only one of 117 votes, some lawmakers are worried that the country will be out-voted by third world countries, its sovereignty reduced, and its laws undermined.

This is the key argument of WTO opponents in congress, who have stepped up their opposition, saying that the Uruguay Round agreement should not be allowed to sail through congress like a ship passing in the night.

"I'm not worried about sovereignty. I'm worried about losing it," said Jesse Helms (D-NC), member of the senate foreign relations committee. "The United States gets one vote, but it will pay 20 percent of the budget for it."

The Clinton administration, which stresses that Washington will be the prime beneficiary of a better world trade system under WTO, says people like Helms should listen carefully to thoughtful trade experts.

"Our sovereignty is enhanced because a substantially improved dispute-settlement system will permit us to enforce rights more effectively while at the same time preserving our own trade laws," Rufus Yerxa, deputy U.S. trade representative, told a senate hearing today.

Lawmakers who oppose the WTO often compare it with the United Nations, where Washington enjoys the right of veto. They are worried that if the U.S. loses a case in the WTO, it will either change its laws to pay compensation or face trade retaliation from abroad.

"We are transferring substantial power to an international body that can coerce the United States to change our behavior," argued House Representative Newt Gingrich (R-GA).

The U.S. has won many GATT cases on important issues such as Japan's barriers to imports of agricultural goods, South Korea's beef quotas, the European Community's oil fee subsidies and Norway's procurement practices.

According to officials here, a WTO dispute-settlement panel recommendation does not automatically change U.S. law. If the U.S. loses a case, it is the sovereign right of the U.S. Congress to decide what to do with the prevailing decision.

Some congressmen don't believe this. "This is a plethora of red tape that means nothing," Senator Helms said. "It's not going to happen."

"We are still going to have problems with countries under this agreement; I don't think there should be any illusions about that," Rufus Yerxa admitted at today's hearing. "This is the best we can do."

Ren Jianxin Tells Courts To Learn From Other Nations

OW1506095294 Beijing XINHUA in English 0750
GMT 15 Jun 94

[Text] Haikou, June 15 (XINHUA)—China's top judge, Ren Jianxin, today called for the country's courts to learn from how other countries' courts function.

The president of the Supreme People's Court, in a written text conveyed to a national judicial conference on foreign affairs now being held here, suggested that from other countries' experiences, courts could learn how better to fulfil the tasks laid on them by China's Constitution.

China has established ties with courts from nearly 100 countries and regions, and international organizations such as the International Court, according to the conference.

In the past ten years, the supreme court sent 125 delegations of 429 people abroad for visits, and received 113 delegations of 554 members, the sources said.

Ren Jianxin said such foreign affairs work has helped to promote China's judicial exchanges with other countries, and win understanding and support from the international community.

U.N. Envoy Optimistic Over Yemen Mission

OW1406220394 Beijing XINHUA in English 2119
GMT 14 Jun 94

[Text] Abu Dhabi, June 14 (XINHUA)—U.N. Envoy to Yemen Lakhdar Ibrahim said here today that there has been "positive and encouraging progress" on the Yemen issue.

Before leaving the UAE capital for Doha, Qatar, Ibrahim said there are some progress since both Sanaa and Aden have agreed to resume the former joint military committee and add new members to it.

The U.N. envoy was on a visit to Yemen and other Gulf and Arab countries for implementing the U.N. Security Council Resolution 924 for ending the five-week long Yemeni fighting.

The U.N. envoy said Yemeni President Ali Abdallah Salih has accepted Aden's suggestion of keeping foreign members and increasing new members in the committee.

Ibrahim said U.N. Secretary General Boutros Boutros-Ghali today reappealed to the rival forces in Yemen to abide by the Security [Council] resolution of truce.

Commenting on his meeting with leaders of the southern part of Yemen in Mukalla on Monday, Ibrahim said both Sanaa and Aden had accepted the cease fire suggestion, but it was regrettable that there was no truce, though the intensity of fighting has decreased.

Both Sanaa and Aden accepted the idea of dialogue, but both of them had their conditions, he added.

Ibrahim denied the information reported by some news agencies that he planted in Mukalla a suggestion of settling up a Yemen federation or confederation, saying that to discuss the matter is too early.

Today, Ibrahim also met with UAE President Zayed Bin-Sultan Al Nahayan.

The envoy arrived here Monday night and left here today for Qatar.

Latest reports reaching here from Doha said Qatari Amir Shaykh Khalifah Bin-Hamad Al Thani received this evening the U.N. envoy in Doha.

United States & Canada

Li Lanqing Hopes For Permanent End to MFN Issue

HK1406043294 Beijing ZHONGGUO XINWEN SHE in Chinese 1124 GMT 13 Jun 94

[By reporter Tao Guangxiong (7118 0342 7160)]

[Text] Beijing, 13 Jun (ZHONGGUO XINWEN SHE)—PRC Vice Premier Li Lanqing said today: President Clinton's decision to extend China's MFN treatment is beneficial to both countries. However, China hopes that this issue can be settled once and for all, which will speed up development of Sino-American economic and trade relations in a steady and healthy manner.

Li Lanqing said when meeting with the economic and trade delegation of the U.S. Chicago Management Association today: The only way which lies before us is to enhance our cooperation. We should transform past disputes into more intensive cooperation and dialogue. He was optimistic about the future development of Sino-American relations.

Li Lanqing said: The United States is the largest developed country, whereas China is the largest developing country. Enhancing cooperation will not only benefit our two countries and peoples, but will also contribute to world peace, stability, and development.

Madame (Carina Causkenarrow), general director of the Chicago Management Association, said: Chicago and U.S. business circles are very glad about the settlement of the issue of China's MFN treatment, which will maintain the strong business ties of the two sides. Our current visit to China is precisely an opportunity to discuss trade and investment between the two sides.

Li Lanqing briefed the visitors on the situation of China's economic development. He said: Now that China has opened its door, it will open up wider and wider and nothing can close it. Hence, China will provide greater and greater opportunities for cooperation.

He wished that the entrepreneurs from Chicago could find new opportunities of investment and cooperation through this visit.

The Chicago Management Association organized, for the first time, a delegation to visit China at the invitation of China Council for the Promotion of International Trade. The delegation will also visit Shenzhen and Shanghai.

Li Lanqing Receives U.S. Academic, Visitors

OW1406081194 Beijing XINHUA in English 0746 GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Chinese Vice-Premier Li Lanqing met here this morning with Professor Gregory C. Chow, chairman of the American Committee on Economics Education and Research in China.

Professor Chow and other guests from the United States are here to attend a joint meeting for exploring ways to further bilateral exchanges of economics education with his Chinese counterparts.

MOFTEC Official Forecasts More Balanced Sino-U.S. Trade

HK1206051194 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 12-18 Jun 94 p 1

[By Wang Wong: "More U.S. Imports Due"]

[Text] Sino-U.S. trade will exceed \$30 billion this year and the Chinese surplus will decline, a government official has predicted.

"Imports from the U.S. are set to expand as China's economic growth remains in the fast lane," said Ou Huarong of the Ministry of Foreign Trade and Economic Co-operation (MOFTEC).

In the first four months of this year, China's exports to the U.S. totalled \$4.9 billion and its imports \$3.5 billion.

Ou does not expect the U.S. deficit with China to run as high as last year's \$6 billion.

He urges the U.S. to relax its controls over high-technology exports to China to help balance trade.

The U.S. has not formally revoked the economic sanctions it imposed against China in 1989. In fact, certain new restrictions have been added.

"The export controls are a Cold War product, yet the U.S. is far from reaching any breakthrough in this regard," Ou pointed out.

In Beijing late this month the two countries are scheduled to discuss the protection of intellectual property rights (IPR) and trade in services.

Ou says the two governments should maintain the momentum in bilateral trade that picked up when U.S.

President Bill Clinton decided on May 26 to renew China's most-favoured-nation status and delink it with human rights.

He urges the U.S. not to put China on the Priority Country List for alleged "severe" violation of intellectual property rights. The U.S. has until the end of June to make the decision.

"We don't want to see a setback in bilateral trade with China being placed on the list," Ou said.

"The Chinese Government has fully implemented the Memorandum of Understanding on IPR between the two countries and has established an IPR protection legal system that represents the highest level of protection on IPR.

"The government has taken notice of infringements of IPR, particularly in audio and video products, and has taken positive and effective measures to curb the violation," he said. He added that the U.S. should recognize the effort.

According to the U.S. Trade Act of 1974, once a country is put on the Priority Country List, it will have to be engaged in a half-year period of negotiation with the U.S.. If the negotiations are unsuccessful, the U.S. will announce retaliatory measures against products of the country in question.

As for access to Chinese markets for American products, Ou said China has also fulfilled the terms set forth in another bilateral agreement.

For example, China has on its own slashed the number of import quotas and licenses, plus tariffs on a wide range of products, in addition to what is done according to Sino-U.S. bilateral market access memorandum of understanding.

MOFTEC has further enhanced transparency by regularly publishing all effective trade policies in its Statement, a public record similar to the U.S. Federal Register.

Ou said the first China Foreign Trade Law, which was announced on May 12, has settled the problem by stipulating a uniform trade policy across the nation.

On agricultural issues, Ou said the two countries have already made progress in that China has lifted the ban on importation of wheat from California and apples from Washington State. And several protocols on animal products have also been signed.

As for trade in services, Ou said China and the U.S. should discuss matters within the framework of the General Agreement on Trade in Services (GATS), which was signed in Morocco in April by members of the General Agreement on Tariffs and Trade (GATT).

The two-way trade seems to be headed in the right direction.

For instance, MOFTEC Minister Wu Yi and U.S. Secretary of Commerce Ron Brown have decided that the two countries should set up joint workshops covering a wide spectrum of industries, such as telecommunications, aerospace, chemicals, energy, transportation, environmental protection and trade in services.

The two sides have also organized a workshop to address the differences in how they compile trade statistics which have led to American claims of an exaggerated deficit with China.

At the same time, Ou expressed concern over trade protectionism in the U.S..

CPPCC Figure Receives U.S. Local Politicians

OW1406144494 Beijing XINHUA in English 1350
GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Qian Zhengying, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with a delegation of American mayors and council members here this afternoon.

The group, led by Carolyn Long Banks, councilwoman of Atlanta, Georgia, is here on a visit at the invitation of the Chinese People's Institute of Foreign Affairs.

The goal of the visit, organized by the National Committee on U.S.-China Relations, is to learn more about China's reform and opening, in particular the development of its middle and small-sized cities.

Prior to its arrival here, the delegation visited Haikou, Xian, Shanghai and other cities.

Coal Ministry, U.S. Firm Sign Cooperation Agreements

OW1306075494 Beijing XINHUA Domestic Service in Chinese 1117 GMT 11 Jun 94

[Text] Washington, 10 Jun (XINHUA)—According to news from Houston, the Chinese Ministry of Coal Industry and the U.S. Anran [name as transliterated] Petroleum and Natural Gas Company signed at the company's headquarters in Houston on 10 June two agreements and one letter of intent on cooperation between the two sides in prospecting for natural gas deposits in China's Sanjiao coal mine in Shaanxi Province and the Huainan coal mine in Anhui Province.

Wang Senhao, Chinese minister of coal industry; Anran Chairman Kenneth Lay [name as transliterated], and Qiu Shengyun, Chinese consul general in Houston, attended the signing ceremony.

Anran, the largest natural gas company in the United States, initiated discussions with the Chinese Ministry of Coal Industry and relevant companies two years ago concerning possibilities for cooperation in exploiting natural gas deposits, and it on many occasions sent

personnel to China to carry out on-the-spot observations. Speaking at the signing ceremony, Anran's chairman said that he was very delighted by and satisfied with the cooperation with China, which is the most important project for the company. He added that China is rich in coal gas reserves and that cooperation in their exploitation will be beneficial to both sides. He disclosed that his company has decided to establish long-term friendly and mutually beneficial cooperation with China.

The Chinese minister expressed his appreciation for Anran's efforts to promote the development of trade and economic relations between China and the United States. He expressed his hope that Anran and other U.S. petroleum and natural gas companies will try to expand cooperation with China.

Prior to his arrival in Houston, the Chinese minister visited New York and Washington, where he held talks with U.S. Energy Secretary O'Leary and other officials. Both sides expressed interest in expanding cooperation between the two countries in exploiting energy and coal gas deposits.

Article Welcomes Clinton Decision To Renew MFN Status

OW1406061694 Beijing BEIJING REVIEW in English
No 24, 13-19 Jun 94 pp 22

[Article by Lu Zhengrong: "Progress in Sino-U.S. Relations"]

[Text] U.S. President Bill Clinton's recent decision to renew China's most-favored-nation [MFN] trading status and to de-link the future MFN renewal from human rights issues has cleared away a major obstacle in bilateral trade relations, and created a good turning point for normal development of Sino-US relations.

As Chinese officials have pointed out, Clinton's decision would create favorable conditions for further expanding trade and economic cooperation between the two countries, helping improve and develop bilateral relations in the fundamental interest of the two nations.

Over the past several years, decision making concerning the US policy toward China has been filled with a series of complicated contradictions. On the one hand, the idealist trend calls for the US government to put more stress on ideological goals and on human rights issues. On the other hand, realistic or practical demands require a kind of pragmatical, sustainable long-term approach towards China, with more consideration for America's economic and strategic interests. The United States wishes to see a unified and stable China, because a weak or troubled China may bring about regional instability in the Asian-Pacific Region. The United States also sees an increasingly strong China as a potential opponent.

Under these circumstances, the issue of MFN status, originally a subject of foreign relations, had evolved into one of the focuses of America's domestic political

struggle. The annual review of China's MFN status became not only an annoyance to China, but a wrench American politicians used to throw in each others' works, which caused considerable bother in both countries business communities.

There are several factors contributing to the US government's change on its China policy. First, the US government realized that it is dealing with an accelerated economy in the world. The United States has growing economic interests in China, where the economic trend is providing enormous opportunities for trade and investment. Economic consideration has always been a top priority for the pragmatic US government decision-makers.

Second, the past decade has seen much progress China has made [sentence as published]. Its foreign and reform policies have steadily improved, and this progress is not seen to be slowing down in the near future.

Moreover, it is widely recognized that China's strategic role in the post-Cold War world didn't decrease but increased, which is supported by its progressively stronger economy.

The two countries also have many common interests in a number of global issues such as nonproliferation of high arms technologies and environmental protection.

Pressure on the US government for separating trade from nontrade related issues was mounted not only from the economic circle, but from numerous politicians and diplomats. It was widely recognized that the annual review of China's MFN status was a double-edged sword which could have cut into both parties' economic interests.

However, since Americans have a long standing tradition of idealism, and proselytizing their own morals throughout the world, it is not easy for them to give up the attempt to influence China, probably through means other than trade under the pretext of human rights. However, things changed hands, and a bright cooperative future is seen to be rising from the dust of long-time foot stomping.

The issue of human rights in essence reflects some people's dissatisfaction with China's political system to a large degree. However, China's system, which has survived nearly 45 years of various trials and hardships, will certainly not be changed by any other than China's own.

Due to different levels of social development, the United States and China have many differences in human rights views. As a developing country, what concerns China most is how to provide adequate food and clothing to its 1.2 billion people. In fact, it has to put more stress on the rights of survival and development, because China still has about 80 million people living at substandard levels, mainly concentrated in remote and poor areas. But the problem of poverty in the United States is not of the magnitude as China.

So if not viewed with an understanding attitude, the United States will have difficulty understanding China's viewpoints in regards to human rights. Of course, China is willing to discuss relevant issues with the United States and other Western countries, but is not receptive to foreign pressure.

To sum it up, consideration of economic and strategic interests have surmounted the political quarrels in the US decision making. We are looking forward to future Sino-US relations, after the positive step taken by President Bill Clinton, a practical, productive, foresightful stand in the interests of Sino-American relations, that will be essential to the stable and growing maturity of Sino-US relations.

Central Eurasia

China, Four CIS States End Fifth Round of Border Talks

OW1406110494 Beijing XINHUA Domestic Service in Chinese 0818 GMT 14 Jun 94

[Text] Beijing, 14 Jun (XINHUA)—A border-agreement drafting group of the Chinese Government delegation and its counterpart from the joint delegation of the Russian, Kazakh, Kyrgyz, and Tajik Governments held a fifth round of talks in Beijing from 3 to 14 June.

The talks proceeded in a pragmatic [wu shi 0523 1395] and constructive atmosphere. Both sides reached a consensus on the narration [xu shu 0650 6615] of the alignment of the western section of the Sino-Russian boundary line and finished drafting an "Agreement Between the PRC and the Russian Federation on the Western Section of the Sino-Russian Boundary." The group leaders of both sides signed a summary of the talks.

Vice Foreign Minister Dai Bingguo met with Sviridov, leader of the group of the joint delegation, and his party.

Jiang Zemin Holds Talks With Estonian President

OW1406183894 Beijing XINHUA Domestic Service in Chinese 1412 GMT 13 Jun 94

[By reporter Zhang Rongdian (1728 2837 0368)]

[Text] Beijing, 13 Jun (XINHUA)—State President Jiang Zemin held talks with Estonian President Lennart Meri at the Diaoyutai State Guesthouse this afternoon.

Jiang pointed out that relations between the two countries have developed smoothly. Meri said there is a good basis for the development of mutually beneficial cooperation between the two countries.

The talks proceeded in a cordial and friendly atmosphere. Jiang warmly welcomed President Meri on his visit, saying that he was very glad to make the latter's acquaintance. He said: The maintenance of exchanges

between state leaders can help enhance mutual understanding between leaders, and plays a particularly important role in promoting the development of state-to-state relations.

Jiang told Meri: "Your Excellency's visit is an important event in the history of relations between the two countries, and will surely breathe new life into cooperation between the two countries." Jiang expressed his appreciation for the positive attitude adopted by the Estonian Government and President Meri on developing Sino-Estonian relations. He said: Thanks to joint efforts by the two sides, relations between China and Estonia have developed smoothly since the two countries established diplomatic relations three years ago. China is satisfied with this development, and is full of confidence in future development prospects.

Meri expressed his thanks for China's recognition of Estonia soon after it regained independence. He said: "My current visit to China is very important and historically significant. Estonia and China have differences as well as lots of common points. There is a good basis for the development of mutually beneficial cooperation between the two countries."

Meri said: Although Estonia is a small country, it is in a favorable geopolitical and geo-economic position, and can play an important role in China's entry into the West European market. He said: "Estonia and China have signed agreements on economic cooperation, trade, and investment. A number of Estonian entrepreneurs are accompanying me on my current visit to China. I hope Estonian and Chinese entrepreneurs will increase contacts in order to expand economic cooperation between the two countries. There is vast potential for economic cooperation between Estonia and China."

Jiang said: China is pleased with Estonia's achievements in consolidating its state sovereignty and national independence, in invigorating its economy, in maintaining social stability, and in protecting its people's lives. He said: Estonia is a country which has regained its independence. China respects and understands the way Estonia determines its social and economic development paths, as well as its foreign policy, according to its specific circumstances. He said: "Countries differ from each other in terms of population and size. However, we have always held that all countries—whether they are big or small, rich or poor, strong or weak—are all equal members in the international community. In international affairs, we are against the pursuit of hegemony and power politics, as well as interference in other countries' internal affairs. We advocate a new international political and economic order whose core is noninterference in other countries' internal affairs." He said emphatically: China adheres to its independent foreign policy. Its principal task is to handle its own affairs well and develop its economy. By handling its own affairs well, China can make major contributions to the world. He expressed his belief that China and Estonia share common ground in this respect.

On economic relations and trade between the countries, Jiang said: Economic relations and trade are an important part of relations between the two countries; we can say that they are the material basis for political relations between the two countries. Although China and Estonia have conducted direct trade for only a short time, they have made a good start. He said: "Your Excellency has brought along a delegation of entrepreneurs during your current visit, thus creating a good opportunity for people in the industrial circles of the two countries to establish contacts with each other. We are ready to work with Estonia to tap potential; open up new fields of economic cooperation on the basis of equality, mutual benefit, and common prosperity; introduce diverse forms of cooperation; and improve the quality of cooperation, in order to raise economic cooperation and trade between the two countries to a new level."

The two leaders also briefed each other on the situation in their own countries. Meri expressed his agreement with Jiang's view that stability is the prerequisite for development, maintaining that every country should have a "brake" to act on its economic development. He said: China has achieved positive results in its economic reform.

Jiang and Meri also exchanged views on regional and international issues of common concern.

After the talks, President Jiang and President Meri signed the "Joint Declaration of the People's Republic of China and the Republic of Estonia." Afterward, Jiang hosted a reception to welcome President and Mrs. Meri, as well as their delegation.

Before the talks, Jiang presided over a ceremony in the square outside the eastern gate of the Great Hall of the People to warmly welcome President Meri. Present at the welcoming ceremony were Qian Qichen, State Council vice premier and foreign minister; Wang Bingqian, National People's Congress Standing Committee vice chairman; Wang Songda, China Zhi Gong Dang Central Committee vice chairman; Liu Songjin, Chinese Government Reception Committee chairman and vice communications minister; Helle Meri, wife of President Meri; and Estonian Foreign Minister Juri Luik.

Li Peng Meets Estonian President

OW1406154794 Beijing XINHUA in English 1531
GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Chinese Premier Li Peng and visiting Estonian President Lennart Meri, during a meeting here this afternoon, expressed the conviction that there is great potential for the two countries' trade and economic cooperation.

Extending a warm welcome to Meri, Li Peng said that China recognized Estonia's re-independence and established diplomatic relations with it quickly, and bilateral

relations have developed smoothly with frequent exchanges at all levels since diplomatic ties were formed three years ago.

"In the current visit, President Meri has conducted the first summit meeting between China and Estonia since Estonia regained its independence, and the visit is of great significance in promoting bilateral friendly cooperation in each field," Li told Meri.

China respects the Estonian people's chosen path of development, Li said. Sticking to its foreign policy of peace and independence, he added, China is willing to make friends with all countries around the world.

China, holding that all countries, small or big, are all equal, attaches importance to developing relations with Estonia, and is willing to exert efforts with Estonia to help bilateral relations grow healthily and stably over the long term, Li said.

Meri told Li: "I had fruitful talks with President Jiang Zemin yesterday. My visit here is very successful. We are looking forward to vice-premier and Foreign Minister Qian Qichen's future tour to Estonia.

"Exchanging visits of the leaders of two countries will give more concrete political and economic essence to bilateral relations."

He said that the agreement on economic and trade cooperation signed by China and Estonia has set a sound foundation for strengthening bilateral cooperation.

"Now Estonia is stable politically and economically. We welcome Chinese enterprises to make investments in our country," Meri said.

Li Peng said that China and Estonia have made a good start in trade and economic cooperation, toward which the Chinese Government holds a positive attitude.

The two countries should adhere to the principles of equality, mutual benefit and complementarity in developing trade and economic cooperation, and widen the base for cooperation gradually while bearing realities in mind, Li Peng said.

The Chinese Government encourages Chinese enterprises to conduct trade and economic exchanges with Estonia, including setting up joint-ventures or factories financed solely by China, Li Peng said. However, internationally-accepted practices should be taken into consideration and practical efficiency be respected.

Showing an interest in paper-making cooperation, Meri said that Estonia, with abundant forest resources, is to export paper-making technologies, paper pulp and other materials to China.

He said that any kind of investment by Chinese enterprises in any field in Estonia will be welcome.

Li Peng said the departments concerned in both governments could investigate the feasibility of the cooperation, and if possible, both governments should give impetus to the initiative.

Li and Meri exchanged views on cooperation in other fields in the firm belief that there is great potential for trade and economic cooperation.

Meri and his party visited the Great Wall this morning. They are to leave for Shanghai tomorrow.

NPC's Wang Hanbin Receives Uzbek Official
*OW1406115694 Beijing XINHUA in English 0943
 GMT 14 Jun 94*

[Text] Beijing, June 14 (XINHUA)—Wang Hanbin, vice-chairman of the National People's Congress (NPC) Standing Committee, met here today with Mustofoev Buritosh [name as received], general procurator of Uzbekistan.

Buritosh and his party arrived here on June 8 for a week-long visit to China as guests of the Chinese Supreme People's Procuratorate.

Northeast Asia

Japanese Consider Funding Beijing-Shanghai Rail Project

HK1506064494 Beijing CHINA DAILY in English 15 Jun 94 p 2

[By Pei Jianfeng: "Foreign Hi-Tech to Break Railway Bottle-neck"]

[Text] China hopes to use foreign technology to double the speed of passenger trains and boost the loading capacity of freight trains.

Officials believe this would free up the bottle-necked Chinese rail lines, particularly in the east.

Meanwhile, companies from Japan, Germany and France are competing fiercely to take part in the 70 billion yuan (\$8 billion) construction of the huge Beijing-Shanghai high-speed railway.

In the coastal areas, China will build high-speed passenger railways with speeds reaching 250 kilometres per hour, said Shen Zhijie, chief engineer for the Ministry of Railways, yesterday.

On existing jammed rail lines, speeds will be raised to 140 kilometres per hour by introducing new rolling stock technology, Shen said at a Sino-Japan seminar on high-speed railways.

Passenger train speed on other lines will be pushed near 100 kilometres per hour by improving the arrangement of operation.

Currently, the fastest speed of passenger trains is about 110 kilometres per hour.

The Guangzhou-Shenzhen railway, with designed speed of 160 kilometres per hour, is expected to open for traffic before the end of the year.

By the end of the century the average load of a freight train will be raised from 2,519 tons in 1992 to 2,900 tons, Shen said.

China is also plotting the high-speed railway linking Beijing and Shanghai. The 1,300-kilometre line will connect five cities each with a population of more than 2 million.

If completed before 2000, it will handle 120 million passengers each year, three times more than the existing line,

Travel time from Beijing to Shanghai would be cut from 17 hours to 7 hours, experts said.

The three-day Sino-Japan seminar on high-speed railways, which opened yesterday in Beijing, aims to introduce Japan's technology and experience on its trains, said Hiroshi Okada, president of the Japan Railway Technical Service, which sponsored the seminar.

Japan's bullet train, running since 1964, was the first high-speed train in the world.

Japan hopes its technology will be used in China's high-speed railway projects, Okada said.

The Chinese Government is trying to borrow money from Japan to complete the Beijing-Shanghai line, in the fourth batch of loans from Tokyo.

Japan is still undecided on the loans, but is showing a positive attitude to the project, Okada said.

In the past 14 years, China used \$2.1 billion in Japanese loans for its railway construction.

Japanese banks also showed strong interest in this project, he added.

Matsuo Michihiko, Japan's Vice Minister for Transport, said Japan is willing to transfer its technology to China.

The seminar is Japan's latest effort to boost its ties to China's high-speed railway project. Last November, German companies held a similar seminar to introduce its ICE train to China.

Spokesman Urges Dialogue on DPRK Nuclear Issue

*OW1506103594 Beijing XINHUA in English 1019
 GMT 15 Jun 94*

[Text] Beijing, June 15 (XINHUA)—The Chinese Government appealed here today to all the parties concerned to be cool-headed, make every effort for an earlier

resumption of dialogue and avoid further deterioration of the situation regarding the DPRK nuclear issue.

On June 10, the Council of the International Atomic Energy Agency (IAEA), encouraged by some countries, adopted a resolution suspending the technical assistance to the Democratic People's Republic of Korea (DPRK). On June 13, the DPRK announced its withdrawal from the IAEA.

"We hereby deplore the adverse turn of events," said a Chinese Foreign Ministry spokesman said [as received] here this afternoon.

"The Chinese Government once again appeals to all the parties concerned to be cool-headed, exercise restraint and make every effort for an earlier resumption of the dialogues, consultations and negotiations, and to continue to work for a satisfactory settlement of the issue in point so as to avoid the further deterioration of the situation," the spokesman said.

First Trading Firm Opens in Pyongyang

OW1206031794 Beijing XINHUA Domestic Service in Chinese 0055 GMT 9 Jun 94

[By RENMIN RIBAO reporter Zhou Bizhong (0719 1801 1813) and XINHUA reporter Ji Xinlong (1213 2450 7893)]

[Text] Pyongyang, 8 Jun (XINHUA)—The China Mining Group's Pyongyang office—the first trading firm China has set up in Korea—started operations today.

Choe Pong-su, vice chairman of the Korean External Economic Committee; Yi Sun-myong, Korean vice minister of mining industry; Qiao Zonghuai, Chinese ambassador to Korea; and commercial attaches of foreign embassies in Pyongyang attended the inaugural reception today.

In his speech, Chang Gaiming, vice president of the China Mining Group, said: In recent years, along with the development and changes in the international trade situation, the China Mining Group has forged closer economic and trade ties with Korea. As a result, the previous unitary transaction for accounts has been gradually replaced by more flexible and diversified trade forms such as spot exchange trade, counter trade, entrepot trade, and barter trade between the two sides. He expressed the belief that there are bright prospects for cooperation in trade between the Mining Group and Korea.

Speaking at the reception, Kong Kang-su, vice president of Korea's Nonferrous Metal Export and Import Corporation, said: The inauguration of the China Mining Group's Pyongyang office symbolizes a crystallization of the blood-sealed friendship and trust, as well as the inalienable friendship between the Korean and Chinese peoples. He pledged to broaden and develop trade relations between the two firms.

ROK Conducts Nationwide Civil Defense Exercise

OW1506113094 Beijing XINHUA in English 0956
GMT 15 Jun 94

[Text] Seoul, June 15 (XINHUA)—South Korea staged a civil defense exercise, including an air-raid drill, for 20 minutes across the country this afternoon.

The drill involved all civil defense corps members, whose job is to organize evacuations and provide first aid for air-raid victims.

South Korea has conducted monthly civil-defense drills in the past. But in view of "the tensions" over the nuclear issue of the Democratic People's Republic of Korea (DPRK), this month's training was expanded nationwide and included more personnel and equipment.

Today's exercise took place at a time when South Korea, the United States and Japan are stepping up their effort to seek U.N. sanctions against the DPRK since Pyongyang reportedly banned inspectors of the International Atomic Energy Agency (IAEA) from testing samples of nuclear fuel in its reactors to determine whether the fuel has been diverted to making atomic weapons.

Pyongyang insisted that its nuclear program is strictly peaceful and warned that any sanctions aimed at forcing it to accept inspections will be regarded as a declaration of war.

Wu Yi Terms ROK Visit 'Successful'

OW1406204794 Beijing XINHUA Domestic Service in Chinese 1526 GMT 12 Jun 94

[By reporter Zhang Zhongyi (1728 1813 5030)]

[Text] Seoul, 12 Jun (XINHUA)—Wu Yi, foreign trade and economic cooperation minister, wound up her ROK visit and departed for India today.

Wu told reporters before her departure that her ROK visit was successful and promoted mutual understanding and enabled her to exchange views fully with the ROK side on problems existing in bilateral economic cooperation. She said the economic exchange group led by her held economic and trade consultations and signed 48 import-export contracts with the ROK.

During the visit, Wu paid a courtesy call to ROK President Kim Yong-sam, and held talks with Kim Chol-su, ROK trade, industry, and energy minister. Both sides pledged joint efforts to actively eliminate the trade imbalance between the two countries.

Wu arrived in the ROK on 7 June.

ROK Fact-Finding Mission Inspects Hainan's Yangpu

HK1406111594 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 4 Jun 94

[Text] A delegation of nine representatives from six large South Korean companies including Samsung, Sonkyong, Nakhui Kimsung, and Pohang arrived at the Yangpu Economic Development Zone on 2 June for a fact-finding mission and to probe, on the spot, the possibilities of carrying out economic and trade cooperation with the zone.

Jiang Shangzhou, director of the Yangpu Development Administration Bureau, briefed the guests on Yangpu's preferential policies, investment environment, and its present conditions and development prospects. Afterward the representatives made an on-the-spot visit to the zone. They praised the zone's continuously improving investment environment and expressed their intention to invest in the zone.

The delegation was organized by the ROK Trade Promotion Society's Hong Kong branch. The representatives also inspected other development zones, airports, and scenic tourist spots in Haikou and Sanya.

CPPCC Delegation Visits Mongolia

OW1406135094 Beijing XINHUA Domestic Service in Chinese 1137 GMT 13 Jun 94

[By reporters Lu Guodong (0712 0948 2767) and Chang Wanlong (1603 8001 7127)—an exclusive for XINJIANG RIBAO]

[Text] Ulaanbaatar, 13 Jun (XINHUA)—A delegation from the Chinese People's Political Consultative Conference (CPPCC) successfully wound up its week-long visit to Mongolia and left here for home by plane on 13 June. The delegation was led by Ba Dai, member of the Standing Committee of the CPPCC National Committee.

During its visit, the Mongolian Great Hural Vice Chairman Jambyn Gombojab and Vice Minister of Science and Education (Nyamdarbaa) separately met with Ba Dai and his party. According to the host's arrangements, Ba Dai and his group toured the museum in the capital and some research institutes, scenic spots and historical relics. They were also invited to parties given by some herdsmen's families.

Ba Dai and his party arrived here on 7 June on a visit at the invitation of the Federation of Peace and Friendship Organizations of Mongolia. Earlier, they visited Russia's Kalmyk Republic.

Southeast Asia & Pacific

Chen Muhua Addresses Asia-Pacific Women's Conference

OW1306143394 Beijing XINHUA in English 1401 GMT 13 Jun 94

[Text] Jakarta, June 13 (XINHUA)—The governments and peoples of Asia-Pacific countries and areas will surely play an influential role in the global course of women's progress and development.

Chen Muhua, vice chairman of the National People's Congress of China and chairman of the All-China Women Federation, who is also the head of the Chinese delegation at the second Asian and Pacific ministerial conference on women in development, made the remarks at the ministerial meeting here today.

She said that the governments and peoples in Asia and Pacific, an economically most dynamic region in today's turbulent and volatile world, have made their own efforts in implementing the Nairobi forward-looking strategies adopted at the 3rd World Women Conference in 1985 and achieved positive fruits since then.

She mentioned the fact that in this region we have the largest number of poverty-stricken women, which account for about 60 percent of the world total.

Therefore, she noted, solving the problem of women's poverty in this region will be a great contribution to the advancement of women in the world at large.

She is confident that the government and peoples of this region will surely play an influential role in the global course of women's progress and development.

Chen Muhua appreciated the Jakarta declaration and plan for action submitted by the earlier senior officials meeting held here from June 7 to 11.

She noted that the Jakarta declaration has pooled the wisdom and experience of all the participants, demonstrates the determination and will of the governments in this region to accelerate the realization of the goals of the strategies, and reflects the aspirations and voices of the women in this region.

She said the experiences of the Chinese women also show that women's progress and development can be pursued only in the favorable environment of national economic growth and social development.

The Chinese Government has all along attached great importance to women's progress and development and been committed to the advancement of women.

However, she pointed out that in China today, there is still inequality between men and women in the sharing of power and decision-making, women have less employment opportunities than men, violations of women's

rights in marriage and family and their rights and interests of the person take place from time to time in some areas.

In view of this, the Chinese Government has taken measures to address these problems.

Chen Muhua said that the Chinese Government and people will go all out to prepare for the Fourth World Conference on Women to be convened in 1995 in Beijing.

The Chinese Government and people will conscientiously fulfill the obligations and duties as the host country so as to make due contribution to the success of the grand global gathering.

Interviewed by XINHUA

OW1506053394 Beijing XINHUA in English 0504
GMT 15 Jun 94

[Text] Jakarta, June 15 (XINHUA)—The Chinese delegation led by Chen Muhua, vice chairman of the National People's Congress and chairman of the All-China Women Federation, left here this morning for home after attending the Second Asian and Pacific Ministerial Conference on Women in Development.

Chen Muhua and her party arrived here on June 5 to attend the senior officials meeting from June 7 to 11 and the ministerial conference on June 13 and 14.

The Second Asian and Pacific Ministerial Conference was the first of a series of regional conferences making preparations for the Fourth World Women Conference in Beijing next September.

At the airport, Chen Muhua told XINHUA that the senior officials meeting and the ministerial conference have been proved to be a success. "The Jakarta Declaration" adopted at the conference was a good document with rich contents. The conference this time has provided successful experiences for other regions to follow and made contributions for the world women conference next year in Beijing.

She said that the Chinese delegation studied and learnt Indonesia's experiences in organizing this conference which would be helpful for China who is confident to make good preparations for the success of the world women conference in Beijing in 1995.

Cambodian Roundtable Talks Begin, No Progress Made

OW1506100494 Beijing XINHUA in English 0943
GMT 15 Jun 94

[Text] Phnom Penh, June 15 (XINHUA)—The round table talks of the working group on peace and national reconciliation in Cambodia opened here this morning, without being able to make any progress.

Representatives from the Democratic Kampuchea Party (DKP) and the government discussed only the cease-fire issue at today's meeting, a spokesman of the royal government said.

The government side suggested a cease fire date on June 30, 15 days later.

But the DKP side did not say yes or no.

DKP spokesman Tap Kunnal said that today's meeting was going well. But the representatives failed to reach any agreement. All agreed to continue the meeting tomorrow morning.

The working group was set up according to a decision made by the round table talks on Cambodia held in Pyongyang on May 27-28.

Malaysia Awards Government Project to Construction Firm

OW1406193894 Beijing XINHUA in English 1610
GMT 14 Jun 94

[Text] Kuala Lumpur, June 14 (XINHUA)—A Chinese road construction company has been awarded a government project in Malaysia to upgrade a road section in the City of Ipoh, Perak.

Under the 35 million ringgit (about 13.5 million U.S. dollars) contract signed here today, China Road and Bridge Corporation will widen a six km stretch of Jalan Tasek from two lanes to four within 30 months, involving also the construction of two bridges, 150 km and 30 km long respectively.

The contract was signed by Public Works Department Director General Wan Abdul Rahman Yacob representing the Malaysian Government and Yao Haidong for the Chinese company. Malaysia's Works Minister Leo Moggie and Chinese Ambassador to Malaysia Qian Jinchang witnessed the signing.

Yao told reporters that although the project is his company's first ever awarded in Southeast Asia, it has been an international contractor since 1979, with 235 contracts of construction and labor service worth a total of one billion U.S. dollars concluded in many countries of Asia and Africa.

Trade Minister Meets Thai Counterpart, Others

OW1406212494 Beijing XINHUA Domestic Service in Chinese 1323 GMT 12 Jun 94

[Text] Bangkok, 12 Jun (XINHUA)—Thai Commerce Minister Uthai Phimchaichon met with Wu Yi, Chinese foreign trade and economic cooperation minister, here today. The two exchanged views on promoting trade and economic cooperation between Thailand and China.

Earlier, Minister Wu met Mr. Chen Shixian, a Thai citizen of Chinese descent and well-known public figure.

Wu expressed her appreciation of what Mr. Chen has done in recent years to promote Thai-Chinese economic exchanges.

Minister Wu was making a short stopover in Thailand, en route to India to attend a Sino-Indian Economic and Trade Joint Commission meeting.

Meets With Famous Artist

BK1506053794 Beijing China Radio International in Thai 1330 GMT 14 Jun 94

[Text] Beijing China Radio International reporter has reported that Thai Commerce Minister Mr. Uthai Phimchaichon met with Wu Yi, minister of foreign trade and economic cooperation of China in Bangkok on 12 June. The two ministers exchanged views on the promotion of trade and economic cooperation.

Earlier, Wu Yi met Mr. Moranop (Tangpakon), a famous Chinese artist in Thailand.

Minister Wu Yi was on a short visit to Thailand on her way to attend a meeting of the Chinese-Indian joint committee on economy and trade in India.

West Europe

Zou Jiahua Meets With French Businessmen

OW1406120494 Beijing XINHUA in English 1154 GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Jerome Monod, president of the Lyonnaise des Eaux-Dumez group and his party here this afternoon.

The French guests have come to visit China as guests of the Chinese Ministry of Water Resources.

Li Peng, Germany's Lafontaine Discuss Furthering Ties

OW1406160994 Beijing XINHUA in English 1439 GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Chinese Premier Li Peng met here this afternoon with Oskar Lafontaine, minister-president of Germany's Saar Land Government, and his party.

Li said China has always attached importance to and been committed to the development of long-term and stable ties of friendly cooperation with Germany.

It falls in line with the interests of both China and Germany to expand their cooperation in all fields, Li said.

"We are pleased with the good trend of development in Sino-German relations," Li said, noting that there have been frequent high-level exchanges and contacts between various departments of the two countries.

China is willing to contribute to the furthering of Sino-German ties, Li said.

The last time Lafontaine visited China was in 1986. He told Li that this time he has seen great changes here.

Saar Land takes a positive attitude toward developing relations with China, Lafontaine said.

During the meeting, Lafontaine showed much interest in the implications and content of China's socialist market economy. Li briefed Lafontaine on this and Lafontaine briefed Li on his view of the present situation in Europe.

Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, took part in the meeting.

Li Peng Meets With Italian Industrialists

OW1406133794 Beijing XINHUA in English 1311 GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Chinese Premier Li Peng expressed the hope here today that China and Italy can seize the present opportune moment and propel their economic and trade links to a new high.

Several years ago, the premier noted, the Italian Government took the lead among Western countries in readjusting its policies toward China and has taken positive steps toward developing Sino-Italian ties.

This, he added, has resulted in the relatively fast growth of economic and trade ties between the two countries.

"We hope this momentum of development will be sustained," he told a group of visiting Italian entrepreneurs from the General Confederation of Italian Industry (GCII).

Li voiced the conviction that Italian entrepreneurs will exert themselves toward this end.

China and Italy can cooperate not only in heavy industry, but also in the light and textile industries, and leather and food processing industries, where Italy has its unique technical advantages, Li said.

Referring to it as a major influence in Italian economic circles, Li said the confederation has contributed to bilateral economic and trade ties. He also expressed the hope that the visit will yield fruit.

GCII Chairman Luigi Abete told Li that Italy's economic cycle has entered recovery, which will surely provide better conditions for Italy-China economic and trade cooperation.

The GCII consists of numerous medium and small-sized businesses, all keen on developing cooperation with China, Luigi said.

The visit is designed to inform them more about China's development strategy as they determine key sectors in which to invest in China, he said.

The Italian visitors are here as guests of the China Council for the Promotion of International Trade.

East Europe

Qian Qichen Meets Albanian Deputy Foreign Minister

*OW0706152794 Beijing XINHUA in English 1443
GMT 7 Jun 94*

[Text] Beijing, June 7 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen said here today that China was concerned with the situation in the Balkan region, and held that the sovereignty and territorial integrity of the Balkan states should be respected.

The interests of the minorities in every country of the region should also be protected, Qian told Arjan Starova, deputy foreign minister of Albania during their meeting.

China hoped that the countries in the region, keeping good relations, would properly handle their problems to benefit peace and cooperation in the peninsula, as well as the development of each country, Qian said.

After relations between China and Albania became normal a year ago, they continued to expand and develop, Qian said, adding that China would like to further the bilateral links in various fields, on the basis of the five principles of peaceful co-existence.

Starova arrived here on June 4. During his stay, Chinese Vice-Foreign Minister Dai Bingguo has had discussions with him on Sino-Albanian links and international issues of common concern.

Dai and Starova also signed an agreement to cement the cooperation between the two foreign ministries.

Starova is to visit north China's Tianjin city, and leave for home on June 9.

State Council's Li Guixian Receives Hungarian Visitors

*OW1406115794 Beijing XINHUA in English 0948
GMT 14 Jun 94*

[Text] Beijing, June 14 (XINHUA)—Chinese State Councillor Li Guixian met with visiting Director Istvan Hagelmayer of Hungary's state audit office here today.

Director Istvan Hagelmayer and two other Hungarian visitors arrived here Monday [13 June] as guests of China's Auditing Administration on a six-day visit to Beijing and Xiamen city in east China's Fujian Province.

Romanian Leaders Meet Visiting Chinese Minister

*OW1006014694 Beijing XINHUA in English 0101
GMT 10 Jun 94*

[Text] Bucharest, June 9 (XINHUA)—Romanian President Ion Iliescu and Prime Minister Nicolae Vacaroiu met separately here this afternoon visiting Chinese Machine-Building Minister He Guangyuan.

He is here for the 12th meeting of the Commission of Economic and Trade Cooperation between the Chinese and Romanian governments.

During their meetings here, the Romanian leaders expressed their hope for the further development of economic and trade relations between the two countries.

Heilongjiang Vice Governor Meets With Romanian Delegation

SK1406031694 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 13 Jun 94

[Text] On the afternoon of 13 June, Vice Governor Wang Zhongzhang met with a government delegation from Prahova County of Romania. Both sides held talks on matters concerning economic, trade, and scientific and technological cooperative items.

Headed by Vasile (Futaikeyue), the seven-member Prahova County government delegation from Romania made a special trip to Heilongjiang to attend the fifth Harbin border and local economic and trade fair.

Vice Governor Wang Zhongzhang briefed the guests on the situation of the forthcoming fifth trade fair. Heilongjiang Province has a long history in developing economic and technological cooperation and trade contacts with Romania. Since the establishment of friendly relations between Heilongjiang Province and Prahova County of Romania, companies and enterprises of both sides have established direct economic and trade relations. We hope to strengthen these friendly relations, develop economic, technological, and labor service cooperation. We wish the Romanian businessmen great successes at the trade fair.

Vasile (Futaikeyue), leader of the delegation, said: Prahova County is a center of industry in Romania. It is the second time for the Prahova government delegation to attend the trade fair. Both sides have a good foundation in economic and trade cooperation. He added that he hoped this trade fair would promote further friendship and strengthen cooperation.

Economic Cooperation Committee Meets in Romania

OW1206015194 Beijing XINHUA Domestic Service in Chinese 1257 GMT 9 Jun 94

[By XINHUA reporter Zheng Jian (6774 1017) and RENMIN RIBAO reporter Zhang Zhipeng (1728 1807 7720)]

[Text] Bucharest, 9 Jun (XINHUA)—A protocol on the 12th meeting of the Economic and Trade Cooperation Commission between the Chinese and Romanian Governments was signed here today.

He Guangyuan, the Chinese co-chairman and minister of machine-building industry, and Popescu, Romanian co-chairman and minister of industry, spoke at the signing ceremony. They pledged to further promote and develop economic and trade cooperation between the two countries on the basis of last year's \$500 million trade volume.

At the meeting, held in Bucharest 6-9 June, the two sides briefed each other about their domestic economic situations and discussed specific ways to solve pending problems and further develop cooperation. Delegations from the two countries and nearly 100 Chinese and Romanian entrepreneurs attended the meeting.

According to the protocol, the two sides will actively support spot exchange trade and barter trade between Chinese and Romanian enterprises, encouraging them to develop economic cooperation in machine-building, metallurgy, coal, chemical industry, mining, electric power, water conservancy, tourism, and agriculture. Under the protocol, Romania will step up efforts to supply China with power station equipment, while China will expedite the supply of fine coal to Romania.

During the meeting, He Guangyuan and his retinue also met with the Romanian foreign, trade, and defense ministers, as well as officials in charge of finance and tourism. They discussed a wide range of issues on developing bilateral economic and trade cooperation.

Beijing Mayor Meets With Slovene Vice Premier

SK1406032094 Beijing BEIJING RIBAO in Chinese
4 Jun 94 p 3

[By reporter Lian Gong (6647 0364): "Li Qiyan, Mayor of Beijing Municipality, Meets With Guests From Slovenia"]

[Text] On the morning of 3 June, at the Diaoyutai state guesthouse, Li Qiyan, mayor of Beijing Municipality, met with Peterle Lojze, vice premier of Slovenia and concurrently minister of foreign affairs, and his party.

The guests visited China at the invitation of Qian Qichen, vice premier of the PRC and minister of foreign affairs.

Li Qiyan expressed his pleasure for having the opportunity to meet in Beijing with Peterle Lojze, vice premier of Slovenia and minister of foreign affairs. On behalf of the municipal government and all the people of the municipality, he expressed welcome to the guests for their visit to Beijing. Li Qiyan maintained: Some state leaders, including Premier Li Peng, respectively met with the honored guests from Slovenia. This indicates

that our state leaders have paid attention to the development of friendly relations between the two countries and this has also created better conditions for expanding the contacts between the capitals of our two countries.

Peterle said: Beijing has left a very good impression on us. We believe that we will certainly visit Beijing again. We are not merely interested in the past, but also look to the future. He hoped that the capitals of the two countries would be able to establish closer contacts.

Li Qiyan praised Ljubljana, the capital of Slovenia, as a beautiful city enjoying the reputation of being a "city of universities." He said: Cities, no matter how large they are, have aspects which merit others' learning. He hoped that the capitals of the two countries would enhance their contacts and also ceaselessly develop their friendly cooperation ties.

Peterle expressed his support to conduct cooperation between the two cities. He maintained that both sides could explore ways for cooperation in the service trade and public health aspects. He wished Beijing further development in the future.

Lu Yucheng, vice mayor of the municipality; and Ivan Senicar, Slovenia Ambassador to China, attended the meeting.

Yugoslav Vice Premier Meets Chinese Delegation

OW1306075794 Beijing XINHUA Domestic Service in Chinese 0718 GMT 10 Jun 94

[By reporter Wang Sen (3769 2773)]

[Text] Belgrade, 10 Jun (XINHUA)—Simic, vice premier of Yugoslavia, emphatically pointed out on 10 June that China's role was and remains of great importance for Yugoslavia and the future of the world.

Vice Premier Simic made this comment in a meeting with a delegation of the Chinese Association for International Understanding [CAIU] in Belgrade.

The Chinese delegation headed by Wu Xingtang, secretary general of the CAIU, arrived here on 6 June for a goodwill visit of Yugoslavia at the invitation of the "Karidzic Brothers" University.

During the meeting, Simic expressed gratitude to the Chinese Government and people for their consistent support to the Yugoslav people and their efforts to preserve peace. The Yugoslav Government will continue to do its utmost for the Sino-Yugoslav relations to develop even more multilaterally, he added.

Latin America & Caribbean

Wu Bangguo-Led CPC Delegation Leaves Cuba for Home

OW1406132794 Beijing XINHUA Domestic Service in Chinese 0241 GMT 13 Jun 94

[By reporter Hou Yaoqi (0186 5069 0366)]

[Text] Havana, 12 Jun (XINHUA)—After concluding a week-long visit to Cuba, a CPC delegation led by Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee, left Havana for home on 12 June.

Ross Leal, politburo member of the Communist Party of Cuba [PCC] Central Committee, vice president of the Council of State, and executive secretary general of the Council of Ministers; Jose Balaguer, politburo member of the PCC Central Committee and director of the PCC Central Committee's International Relations Department; and Chinese Ambassador to Cuba Xu Yicong saw off the delegation at the airport.

The CPC delegation arrived in Cuba on 6 June for a visit at the invitation of the PCC. During its visit, Fidel Castro, first secretary of the PCC Central Committee, president of the Council of State, and president of the Council of Ministers met with all members of the delegation, attended a reception hosted by Ambassador Xu Yicong for the delegation, and held a long, cordial conversation with Wu Bangguo.

Wu Bangguo and his party separately held talks and had contacts with Leal, Balaguer, and other party and government leaders to exchange views on wide-ranging issues of common concern. Meanwhile, they visited some factories, scientific research and medical care units, and municipal administration and tourism facilities.

300 Chinese Ships Go Through Panama Canal Annually

OW1206032194 Beijing XINHUA in English 0257 GMT 12 Jun 94

[Text] Panama City, June 11 (XINHUA)—An average of 300 Chinese ships pass through the Panama Canal each year, with 130 of them flying the national flag of China, according to Cheng Zhongbiao, president of the China Ocean Shipping Company (COSCO).

Speaking here on Friday [10 June], the visiting Chinese official said that in order to strengthen cooperation with

Latin America in sea transport, COSCO in May 1994 began to operate three regular shipping lines to the region, two for containerized cargo and one for general cargo, visiting several ports in the area.

China is continuing its policy of opening to the outside world and is increasing its commercial exchange with Latin America, Cheng said.

COSCO is cooperating with its Latin American counterparts and is doing its share to promote economic development in the world, he added.

The Chinese maritime transport official is touring Latin America and North America. He arrived in Panama City last night after visiting Rio de Janeiro, Sao Paulo and Lima.

Peruvian President Terms Meetings in Beijing 'Fruitful'

PY1306214594 Lima Radio Programas del Peru Network in Spanish 1800 GMT 10 Jun 94

[Text] During the last day of his stay in Beijing, President Alberto Fujimori firmly defended respect for human rights but expressed his opposition to the interference of great powers in domestic affairs.

Fujimori described as fruitful his meetings with his Chinese colleague Jiang Zemin, and Chinese Premier Li Peng.

Fujimori noted the progress made in the fight against terrorism, a scourge which in the past 13 years has killed at least 22,000 Peruvians.

Peruvian Minister Discusses Economic Ties With China

PY1106003294 Lima Radio Programas del Peru Network in Spanish 1800 GMT 10 Jun 94

[Text] Industry Minister Liliana Canale has informed this radio station from Beijing on the possibility of joint investment projects in the fishing, agroindustrial, and manufacturing products with China.

She said Peru is the main Latin American beneficiary of Chinese loans:

[Begin Canale recording] We talked about possible joint investments which I believe could materialize if the talks continue in the sectors that are of greatest interest for the two countries. These include fishing, agroindustrial, and light manufacturing. As you know China already considers Peru one of the main beneficiaries of investments in Latin America. [end recording]

Political & Social

Vice Premier Zhu Rongji Emphasizes Education

OW1406143094 Beijing XINHUA in English 1410
GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Chinese Vice-Premier Zhu Rongji today urged leaders at all levels to pay equal attention to education as to economic development.

Delivering a speech at the national education conference in session here, Zhu said that education is an important part and a key sector of strategic significance in the country's modernization program.

Guided by Chinese veteran leader Deng Xiaoping's thought of attaching importance to education and respecting knowledge and talents, he said, China has made great achievements in educational work.

Zhu added that China's economic situation is good this year while reforms in financial, taxation and monetary sectors and other major economic reforms are proceeding smoothly and a basic framework of a socialist market economy has taken shape.

Chinese Vice-Premier Li Lanqing presided over the meeting this afternoon.

Li Peng Extends Sympathy to Flood Victims

OW1406132994 Beijing XINHUA Domestic Service in Chinese 1102 GMT 13 Jun 94

[By reporter Lu Yongjian (7773 3057 1696)]

[Text] Beijing, 13 Jun (XINHUA)—Premier Li Peng has shown deep concern for the masses affected by floods in Guangdong Province recently. On 12 June he extended through the State Flood Control and Drought Relief Headquarters sympathy and solicitude to the people in the flood-stricken areas and paid high tribute to cadres, masses, officers and men of the People's Liberation Army and the Armed Police Force participating in the flood fighting and relief operations. Premier Li Peng also gave instructions on flood-related work, urging the affected people to fight the floods in unity, help themselves by stepping up production, and overcome difficulties to ensure an all-round victory in the struggle.

Caused by this year's third typhoon, the heavy rainfall and, in some areas, powerful rainstorms widely hit Guangdong Province 8-9 June, sending river water levels quickly up—0.27 meter above the highest water level for the Jiuzhou River near Lianjiang City and above their warning level for Beijiang, Jianjiang, and Luojiang Rivers. Floods have affected 23 counties and districts in Zhanjiang, Maoming, Yangjiang, Zhaoqing, Foshan, and Guangzhou cities; 7.95 million mu of farmland; and 8.09 million people—440,000 of whom were once stranded—causing 58 deaths; 684 injuries; damage to irrigation

facilities worth 217 million yuan; and an estimated provincewide direct economic loss amounting to 5.8 billion yuan.

With the arrival of the floods, local governments and relevant departments were quick in organizing the masses for flood fighting and rescue operations, with more than 7,100 officers and men from the army, navy, air force, and the armed police force stationed in Guangdong being rushed to the front line. All the 440,000 people stranded by floods earlier are now out of danger, with disaster relief operations going on in full swing.

Chen Junsheng, state councillor and head of the State Flood Control and Drought Relief Headquarters, who was on an anti-flood inspection tour of the Taihu and Huaihe areas, also sent his regards to the flood victims in Guangdong, including Zhanjiang City.

Meanwhile, typhoon-related rainstorms in the past few days also sent water in Zhejiang Province's Qiantang and Puyang Rivers above their warning levels, affecting over 2 million people in more than 10 counties. Local cadres and masses have actively plunged themselves into flood relief operations.

Li Peng Signs Vessel Registration Regulations Decree

OW1406192094 Beijing XINHUA Domestic Service in Chinese 2133 GMT 13 Jun 94

[Text] Beijing, 14 Jun (XINHUA)—State Council Premier Li Peng recently signed State Council Decree No. 155, promulgating the "Regulations of the PRC on Boats' and Ships' Registry."

The general rules of the "regulations" stipulate that the following boats and ships should be registered in accordance with the regulations: 1) Boats and ships owned by Chinese citizens who have a domicile or a major establishment for business operations within the boundaries of the PRC. 2) Boats and ships owned by enterprises, as legal entities, that have a major establishment set up for business operations within the boundaries of the PRC in accordance with PRC laws. However, if the registered capital of such legal entities contain foreign investment, the share of Chinese investors' capital in the registered capital must be no less than 50 percent. 3) The official boats and ships of the Chinese Government and boats and ships owned by the institutions, as legal entities, of the Chinese Government. And 4) other boats and ships that the harbor superintendency administration organs of the PRC believe should be registered. Military, fishing, sports boats, and ships should be registered in accordance with relevant laws and regulations.

The general rules of the "regulations" also stipulate that boats and ships are not allowed to fly the PRC national flag unless they have been registered in accordance with the laws and have obtained PRC nationality; boats and

ships without registry are not allowed to fly the Chinese national flag. Boats and ships must not have dual nationality.

The "regulations" contain a total of 10 chapters, including 59 articles. They will go into effect, beginning 1 January 1995.

Li Tieying Hears Hubei Report on Three Gorges Project

HK1506104994 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 9 Jun 94

[Text] On 6 June, Li Tieying, member of the CPC Central Committee Political Bureau, and director of the State Commission for Restructuring Economy, listened to a report in Zhongnanhai presented by Hubei Vice Governor Li Daqiang on the situation of promoting the Three Gorges Project with reform. He said: We must promote development with reform to serve the Three Gorges Project, and construct new Yichang well.

Li Daqiang reported mainly on how Hubei Province supported the Three Gorges Project. He stressed: Hubei is determined to increase the weight of reform to speed up the pace of establishing a modern enterprise system, and to promote enterprises to transform their operational mechanisms. It also will select a small number of enterprises that have adopted a correct production policy, standardized their management, achieved marked results, and been able to provide comprehensive service directly to the Three Gorges Project to take structural reform as their priority task. It will follow the idea of reform to carry out migration work well in the reservoir area. It will accurately select certain projects for migration work based on development.

Li Daqiang continued: Hubei is determined to grasp well experiments in Yichang, which is a city of comprehensive reforms, to promote rapid regional economic development. It will speed up the pace of providing comprehensive services, so that the policy of the central authorities on reform, development, and stability will be implemented throughout the course of carrying out the Three Gorges Project.

He Guanghui and Wang Shiyuan, deputy directors of the State Commission for Restructuring Economy, also listened to the report.

Tian Jiyun Inspects Fujian Province 7-13 Jun

OW1506014594 Beijing XINHUA Domestic Service in Chinese 1114 GMT 13 Jun 94

[Text] Fuzhou, 13 Jun (XINHUA)—During his recent inspection of Fujian Province, Tian Jiyun, member of the CPC Central Committee Political Bureau and vice chairman of the National People's Congress Standing Committee, pointed out: It is necessary to stabilize and develop agriculture by every possible means, vigorously develop village and town enterprises, and make efforts to

maintain the good momentum of the development of the three kinds of partially or wholly foreign-owned enterprises.

Tian Jiyun stressed: While making vigorous efforts to stabilize and expand grain production, we must actively engage ourselves in diverse economic undertakings, develop a type of farming that provides high yields of fine quality with maximum efficiency, and increase peasants' income. He said: Integrated management of trade, industry, and agriculture must not be merely an integration in form without an integration between the interests of the three sectors. When their interests are integrated, peasants would increase production as well as their income and, thus, we would be able to further arouse peasants' enthusiasm for production and to guide them to the market. We must pay attention to exploration in this respect when we deepen reform in rural areas in the future.

Tian Jiyun stressed: It is necessary to develop village and town enterprises by every possible means and vigorously encourage the development of enterprises run by individuals and privately run enterprises. We should look upon the development of the three kinds of partially or wholly foreign-owned enterprises and village and town enterprises as a driving force for state enterprises. They rely on, supplement, and promote each other. Various economic sectors must coexist, and more than one wheel is needed to expedite the drive to establish a socialist market economy.

When Tian Jiyun heard that foreign businessmen are most worried about whether social stability can be maintained and whether policies can remain stable, he said: The overall situation of China's reform and opening up will remain unchanged. Reform and opening up accord with the trend of the times and the desire of the people. In more than 10 years, the state formulated a series of policies encouraging foreign businessmen to invest in China. These basic policies will remain unchanged. China enjoys social stability, adopts policies that give preferential treatment to foreign businessmen, and hopes they will commit investment without any worry and boldly go ahead with their investment projects, so as to maintain the good momentum of the development of the three kinds of partially or wholly foreign-owned enterprises.

Accompanied by Jia Qinglin, secretary of the Fujian Provincial CPC Committee, and Yuan Qitong, vice chairman of the Standing Committee of the Fujian Provincial People's Congress, Tian Jiyun inspected Fuzhou, Quanzhou, Xiamen, and Zhangzhou between 7-13 June. He held discussion meetings with foreign businessmen, peasant entrepreneurs, and cadres at the grass-roots level.

Jiang Zemin, Li Peng Address Education Conference

OW1406154094 Beijing XINHUA in English 1513
GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), today called for priority to be given to the development of education in the process of realizing China's modernization.

Addressing a national education conference which opened in Beijing today, Jiang stressed the importance of shifting the focus of economic construction to relying on scientific and technological progress and improvement of the abilities of laborers.

Jiang spoke highly of Deng Xiaoping's theory on education and urged the party and leaders at various levels to attach importance to education and promote the development of educational reforms.

The conference is being sponsored by the CPC Central Committee and the State Council.

Premier Li Peng delivered a key-note report on behalf of the CPC Central Committee and State Council.

Li Ruihuan, Zhu Rongji and Hu Jintao, all members of the CPC politburo Standing Committee, were attending the conference.

Jiang said that accelerating the development of education will enhance China's national strength and help China to seize a favorable position in international competition.

He said that the development of education concerns the cultivation of a new generation for China's socialist modernization and its long stability and security.

He called on fully implementing "the outline of the reform and development for China's education" and "teachers' law".

On the question of respecting teachers and attaching importance to education, he stressed that teachers are the engineers of the soul of the man and he commanded the government at various levels to safeguard their legal rights and interests and to improve their working, studying and living conditions.

Jiang specially mentioned the question of joining education with labor and production, calling it one of China's important educational principles.

He said that the reform of education is aimed at turning China's educational structure and system toward serving the development of the socialist market economy and toward all-round social progress.

He called on the multitude of educators in educational administrations and schools to further emancipate minds, explore new ways to develop education and

contribute to the formation of a socialist educational system with Chinese characteristics.

Premier Li Peng said that "the outline of the reform and development of China's education" issued by the CPC Central Committee and the State Council is a systematic document for the development of education in China.

He stressed popularization of nine-year compulsory education and elimination of illiteracy among young and middle-aged people; development of vocational and adult education; and reform of higher education.

He pointed out that compulsory education should be mainly undertaken by the government while adult and vocational education should be run by institutes and enterprises under the management of the government.

Li also talked about reform of the enrollment system in higher education, senior secondary schools and secondary professional schools, improvement of teachers' treatment, ethical education among students and increasing investment in education.

Vice-Premier Li Lanqing presided over the conference.

Dissident Threatens Hunger Strike Over 'Harrassment'

HK1506063094 Hong Kong SOUTH CHINA MORNING POST in English 15 Jun 94 p 10

[By Geoffrey Crothall and John Kohut in Beijing]

[Text] One of China's best known dissidents, Wang Dan, has threatened to go on hunger strike tonight unless the security forces cease their surveillance and harassment.

Even though Mr Wang left Beijing for his hometown in Shandong prior to the fifth anniversary of the June 4 massacre in order to avoid police harassment, he was still followed everywhere he went.

The former student leader, who returned to Beijing on Sunday, said he was now "fed up" with constantly being followed and routinely being called in for questioning by the police.

"Unless I get some kind of guarantee of freedom of movement from the police, I will stage a hunger strike in protest," he said yesterday.

Mr Wang said his mother had visited the local police station yesterday to inform them of his intention but so far they had received no reply Mr Wang said he had not yet decided how long his threatened hunger strike would last, adding that its duration would largely depend on the response from the security forces.

Many observers predicted, however, that Mr Wang's hunger strike, if it occurred at all, would probably last no more than a few days.

"This sounds like just another publicity stunt," a Western diplomat said, "an attempt to keep human

rights on the agenda" following U.S. President Bill Clinton's decision on Most Favoured Nation [MFN] trading status. However, the threatened protest was a sign that while security in the capital had been generally more relaxed following the June 4 anniversary, surveillance of key dissidents remained as intense as ever and was unlikely to be curtailed.

Meanwhile a source close to the family said that dissident Chen Ziming's health had improved slightly since being released from prison, but he was still trying to find a doctor to give him a thorough examination and help him on the road to full recovery after having served nearly five years of a 13-year jail sentence.

A family source said the 42-year-old dissident, released from prison last month but not allowed to return to his home until last week, had been given medicine for his many ailments.

Of Mr Chen's troubles, his skin disorder was showing the biggest improvement though it was far from cured. He was taking medication for high blood pressure, and heart, stomach and kidney troubles contracted while in jail.

Mr Chen, convicted by a court of trying to subvert the Government during the 1989 pro-democracy rallies, was freed in May on medical parole as part of a Chinese effort to win MFN renewal.

However, Mr Chen is far from a free man. The source said he was under 24-hour police guard. Even his family members had to check through security to enter his apartment. He was not allowed to answer telephone calls.

"They would never let you in to his apartment," said the source. Asked about his spirits, the source said: "How can his mood be good when he can't speak freely?"

Ministry Implements Cadre Employment Interim Provisions

OW1506051794 Beijing XINHUA Domestic Service in Chinese 0728 GMT 13 Jun 94

[By reporter Jia Fenyong (6328 1164 0516)]

[Text] Beijing, 13 Jun (XINHUA)—The "Interim Provisions on the Employment of State Functionaries" were officially promulgated by the Ministry of Personnel today for implementation. They represented another important set of measures taken by China after the promulgation of the "Interim Regulations on State Functionaries" to establish and implement a public service system.

A person in charge of the Ministry of Personnel said: While carrying forward the fine tradition of China's system for the selection and employment of cadres, and while drawing on the useful experience of foreign countries in personnel appraisal, the "Provisions" conscientiously summed up the practice of employment through

examination in the past six years or so and provided specific stipulations on every link for the employment of state functionaries. As such, they will play an active role in guarding the "entrance" to state administrative organs, in guaranteeing the basic quality of newly employed state functionaries, and in promoting honesty and industriousness of government organs in the performance of official duties.

The "Provisions" pointed out: The employment of state functionaries refers to the selection of state functionaries for nonleadership positions at and below the level of chief section member. As regards state functionaries selected from organs other than administrative organs to assume leadership positions and nonleadership positions at and above the deputy section level, they shall be transferred and do not fall under the category of employment. The criterion of hiring people with both political integrity and ability as well as the principle of openness, equality, competition, and selecting the best shall be upheld in the employment of state functionaries. Meanwhile, preferential treatment shall be given to applicants who are either of minority nationalities or ex-servicemen.

The Ministry of Personnel required that all units, whether they are carrying out organizational reform or not, must gradually establish a personnel mechanism that encourages openness, equality, and competition, beginning this year. Starting from the date the "Provisions" were promulgated, all areas and departments must handle jobs in strict accordance with the "Provisions." Whenever they employ personnel for leadership [as printed] positions at and below the level of chief section member, they must hold public examinations and select the best from among applicants. Beginning from the second half of this year, the Examinations and Employment Department of the Ministry of Personnel will formulate a series of detailed rules and regulations for implementation on the basis of the "Provisions," and will organize unified examinations for the employment of functionaries for the State Council's ministries, commissions, and organs.

According to his briefing, 29 provinces, municipalities, and autonomous regions across the country and 63 departments of the State Council have adopted the method of holding examinations, to various extents, to employ over 71,000 people by selecting the excellent ones from among over 470,000 applicants for the supplement of their personnel since 1989. The practice of these examinations not only lays a foundation for the promulgation of laws and regulations on employment, but accumulates experience for the implementation of a public service system in an all-round way.

Localities Work Toward Educational Reform

OW1506060594 Beijing XINHUA Domestic Service in Chinese 1134 GMT 13 Jun 94

[By RENMIN RIBAO reporter Bi Quanzhong (3968 0356 1813) and XINHUA reporter Yin Hongzhu (1438 7703 4376)]

[Text] Beijing, 13 Jun (XINHUA)—Reporters have learned from the State Education Commission that since last year's promulgation of the "Outline of the Reform and Development of China's Education" and the "Teachers' Law," party and government leaders in all localities have seized the opportune moment to implement them earnestly, and have taken effective measures to do practical turns for education, thereby effectively promoting the reform and development of educational services.

Data gathered in this respect shows that various localities have generally increased their input in education to solve the shortage of educational funds. In addition to ensuring that educational funds will increase along with economic growth and increases in financial revenue, Guangdong Province has, since last year, collected 1 percent of the annual income derived from secondary and tertiary industries as special funds for educational development, and raised funds in society through various channels to support education. Last year, the province's total input in education was 9.462 billion yuan, up 61.8 percent from the previous year, while educational expenses rose by 38 percent from the year before. Input in education by Beijing Municipality hit an all-time high last year, with total input reaching 2.035 billion yuan. Input in education covered by the municipal budget accounted for more than 20 percent of the total budgetary expenditure for five consecutive years, while expenses for promoting universal education rose by an average annual rate of 14.9 percent for eight years in a row. Besides increasing its budgeted educational funds by 20.9 percent, Jilin Province last year set up special funds for universalizing nine-year compulsory education, for establishing major colleges and universities, and for introducing major disciplines, and promulgated 10 policies on raising educational funds. Last year, Yunnan Province allocated 360 million yuan for education, an increase of more than 150 million yuan from 1992. While ensuring increases in educational funds in two areas, Tianjin Municipality last year established an educational development fund and decided to set up a Tianjin University Scientific and Technological Industrial Zone and use the returns generated by it to supplement educational funds. Last year's input in education by Hainan Province was the highest since the island was designated a province, with educational expenses increasing by 26.8 percent from 466 million yuan in 1992 to 591 million yuan. Last year, Qinghai Province also unveiled 13 measures designed to ensure steady growth in education-related input.

Meanwhile, party and government leaders in all localities intensified their efforts to help teachers as they worked hard to increase teachers' pay and did practical turns for teachers. Last year, Jilin Province decided to pay special government allowances to 15 academicians of the Chinese Academy of Sciences and one foreign academician who worked in the province, as well as 214 tutors for doctoral candidates. Liaoning's Dalian City invested more than 200 million yuan to build a "teachers' apartment building," thus enabling more than 1,300

teacher families to move into new houses. Liaoning's Xinmin City built a new village for teachers, thereby improving the housing conditions of 1,456 teacher families. In Zhejiang's Ningbo City, the recently promulgated policy on "double preferential treatment" aimed at doing practical turns for education was well-received by teachers. According to the policy, both single workers and working couples are entitled to 5- to 10-percent price discounts when they buy public housing. When teachers in rural areas build houses, the government will provide homesteads at government-set prices, and reduce certain taxes and charges or exempt the teachers from those taxes and charges. Over the past two years, the city has made arrangements to change the status of more than 2,000 private teachers to public-school teachers, fulfilling all relevant tasks ahead of schedule. Jiangsu Province decided that the provincial financial department would allocate 20 million yuan annually as subsidies for provincial colleges and universities to build houses for faculty members during the Eighth Five-Year Plan. Last year, 40,000 square meters [sq m] of houses were built, with another 40,000 sq m to be built this year. The province also decided to concentrate apartment houses for college and university faculty members in Nanjing and other areas.

The Sichuan Provincial Government also proposed that the hospital affiliated with the Chengdu Traditional Chinese Medicine College be renamed the Sichuan Provincial Hospital for the Prevention and Control of Teachers' Occupational Diseases, where teachers can receive medical treatment and be hospitalized on a priority basis and on preferential terms. Henan, Anhui, and Hubei Provinces have all drawn up measures to ensure that salaries will be paid in full to primary and middle-school teachers every month. The measures specify that beginning this year, educational funds covered by local budgets will be placed under county management, and they will be listed separately and budgeted in full amounts.

Creation of New Cities Increases With Economic Growth

OW1406142904 Beijing XINHUA in English 1339
GMT 14 Jun 94

[Text] Xian, June 14 (XINHUA)—The number of China's cities has almost doubled over the past decade, a momentum keeping pace with the country's rapid economic growth.

This was reported by the China City Development Society, which has just closed its third session in this capital of northwest China's Shaanxi Province.

By the end of 1993 China had 570 cities, a 97-percent increase from 1983.

In 1993 three out of ten Chinese lived in cities, while ten years ago less than two were urban residents.

Now 59 percent of the total national product and more than three-quarters of the state revenues come from cities.

The mix of big, medium and small cities has emerged as a more balanced combination assisting the social development.

Liu Guoguang, and director of the society, said that the process of urbanization is driven by China's reform and opening up.

When China's economy rocketed at a double-digit growth rate from 1992 to 1993, some 45 new cities sprang up a year. While for two decades before reform only one city emerged every year and a half. [sentence as received]

This phenomenon was also complicated by the regional discrepancy of economic development in China.

Rising in the fast-growing eastern and central areas, the tide of newly emerging cities slows as it reaches the relatively backward western parts of the country.

Between 1983 and 1993, the number of cities in the eastern areas increased from 103 to 247; in central China, from 122 to 215; and in the western region, from 64 to 108.

Liu, also a leading economist, said that the development of cities will promote science and technology and improve efficiency, thereby quickening economic growth.

Experts present at the meeting said that a number of China's big cities will emerge early in the next century as international metropolises, including Beijing, Shanghai, Tianjin, Guangzhou, Xian, Wuhan and Dalian.

Qian Qichen Praises Contributions By Overseas Chinese

*HK1506053294 Beijing ZHONGGUO XINWEN SHE
in Chinese 1141 GMT 14 Jun 94*

[By reporters Zhao Jian (6392 0256) and Zhao Haiyan (6392 3189 3601): "Qian Qichen Says Returned Overseas Chinese, Relatives of Overseas Chinese, and Overseas Chinese Are Important Forces for China's Modernization"]

[Text] Beijing, 14 Jun (ZHONGGUO XINWEN SHE)—Vice Premier Qian Qichen this afternoon attended the opening ceremony of the Fifth National Meeting of Representatives of Returned Overseas Chinese and Relatives of Overseas Chinese. He made a congratulatory speech in which he said that the broad masses of returned Overseas Chinese, relatives of Overseas Chinese, and Overseas Chinese have the fine tradition of loving their country and their native places, have extensive contacts overseas and abundant information

resources, and are an important force for China's modernization. Thus, they can definitely make a big contribution to the great undertaking of invigorating the Chinese nation and the reunification of the motherland.

Qian Qichen said that returned Overseas Chinese, relatives of Overseas Chinese, and the broad masses of Overseas Chinese have made great contributions to China's revolution and construction during the various historical periods; they have added an epic chapter to the annals of China's rise and prosperity and the Chinese nation's advancement and invigoration. In the new historical period, the broad masses of returned Overseas Chinese and relatives of Overseas Chinese are active in posts in various trades. They have eagerly engaged in the undertakings of reform, opening up, and socialist modernization with a great sense of mission and a great sense of responsibility. They have scored marked results in promoting China's economic development and social advancement and have played an active role in the great undertaking of reunification of the motherland. The broad masses of Overseas Chinese are most enthusiastic about China's opening up to the outside world, about the development of economic and trade cooperation between China and foreign countries, and about scientific, technological, and cultural exchanges. They have joined hands with the peoples of the countries in which they reside for progress and they have done a great deal of work for the prosperity and advancement of those countries and for the development of ties between those countries and China. They have devoted themselves to China's reform and construction with absolute sincerity.

He pointed out that the All-China Federation of Returned Overseas Chinese is a people's organization under the leadership of the CPC and belonging to the returned Overseas Chinese and relatives of Overseas Chinese throughout the country. It is the bridge and link through which the CPC and the Chinese Government foster ties with the returned Overseas Chinese, relatives of Overseas Chinese, and Overseas Chinese. In the new situation, the All-China Federation of Returned Overseas Chinese has heavier duties and its status and functions have become more important. The organizations of the All-China Federation of Returned Overseas Chinese at various levels must use Deng Xiaoping's theory of building socialism with Chinese characteristics as guidance, uphold the CPC's basic line, closely center on economic construction when launching work, thoroughly perform their duties, and build the All-China Federation of Returned Overseas Chinese into a vivid and energetic "home of the returned Overseas Chinese" which is trusted by the broad masses of people.

Qian Qichen said that the party and the government attach great importance to the role of returned Overseas Chinese, relatives of Overseas Chinese, and Overseas Chinese in revolution and construction and that they attach great importance to Overseas Chinese work. In the new situation, the CPC and the Chinese Government must strengthen and improve leadership over Overseas Chinese work, give full play to the role of the All-China

Federation of Returned Overseas Chinese, and enthusiastically care for and support its work. Qian Qichen believed that after the meeting of the representatives, a new pattern of Overseas Chinese work, one which is characterized by unity and bold advancement, will emerge in China.

Economic & Agricultural

Zhu Rongji Addresses National Education Conference

OW1506104294 Beijing XINHUA Domestic Service in Chinese 1042 GMT 14 Jun 94

[By reporters Zhu Youdi (2612 1635 2769) and Yin Hongzhu (1438 7703 4376)]

[Text] Beijing, 14 Jun (XINHUA)—Zhu Rongji, member of the Standing Committee of the CPC Central Committee Political Bureau and vice premier of the State Council, delivered a report on economic work [as received] at a national education conference this afternoon. He said: The national conference is very important. The party Central Committee and the State Council are attaching great importance to it, and General Secretary Jiang Zemin and Premier Li Peng have made important speeches to give specific guidance to the conference.

Zhu Rongji said: Education remains the focus of China's strategy and an important part of China's modernization drive. Guided by Comrade Deng Xiaoping's thought on attaching importance to education, respecting knowledge, and respecting trained professionals, China has scored marked achievements in educational work. Leaders at all levels should follow the teaching of Comrade Xiaoping and grasp education as if they were doing economic work.

Zhu Rongji said: The current economic situation in China is good. After the introduction of several major reform measures, such as the financial and tax reform and the banking reform, this year, the basic framework for a socialist market economic structure has taken shape in China, and work in this respect is progressing smoothly. Along with the development of the economy, we will certainly be able to advance China's education to a new level through this conference and under the leadership of the party Central Committee with Comrade Jiang Zemin as the core.

The afternoon the conference was presided over by Vice Premier Li Lanqing.

Beijing Relaxes Credit To Relieve Triangular Debts

HK1506063294 Hong Kong SOUTH CHINA MORNING POST in English 15 Jun 94 p 8

[By Zhang Yuan]

[Text] Beijing is to relax its stringent credit controls to help solve the so-called "triangular debts" or cash flow problems of selected money-losing industries, according to a senior Central Bank official.

The vice-governor of the People's Bank of China, Zhou Zhengqing, revealed that plans to save the industries were being discussed by various central ministries. The departments included the State Economic and Trade Commission and the People's Bank of China, the two power bases of Executive Vice-Premier Zhu Rongji.

According to Mr Zhou, industries which will benefit from the new credit facilities are coal, metallurgy and electricity.

It was not clear how much money would be available and when the operation would begin. But the vice-governor said the extra credit did not mean Beijing would relax its grip on fixed assets investment by industries which he described as a "root cause" of the cash flow problem.

According to original estimates, the Government's ceiling for fixed assets investment for the country this year was set at 1,300 billion yuan (HK\$1,154 billion [Hong Kong dollars])—an amount bound to be exceeded.

Mr Zhou said the triangular debts problem had arisen, because industries were unable to obtain a smooth cash flow by selling their products on the market. Despite poor sales, many of the industries aggravated problems by diverting their working capital into fixed assets investment, Mr Zhou said. The bank chief said industries must therefore strive to improve sales of their products and stop investment in fixed assets while triangular debts remained a problem. In addition, the state would provide financial assistance to individual industries, he said.

Informed sources in Beijing said the top leadership was worried that, despite years of effort, the triangular debts problem continued to hang over enterprises, especially those heavy industries in the northeast provinces of Heilongjiang and Liaoning.

They said senior leaders were worried that many of these factories belonged to key national industries and their financial situations had apparently not improved while the economy boomed.

Nevertheless, decisionmakers in Beijing were unable to come up with any "breakthrough" measures to rescue these enterprises and had to relax credit.

Chinese analysts said the Communist Party would hold a plenum this year where the viability of state industries would be a top priority.

The analysts claimed Mr Zhu, highly unpopular for his economic retrenchment measures introduced last year, was eager to befriend regional governors by promising to relax credit for selected industries although the extra money could fuel the inflation crisis.

"They [the credits] are more a temporary measure than a long-term cure," an analyst said.

Numbers of Private Sector Firms Growing

HK1506064694 Beijing CHINA DAILY in English
15 Jun 94 p 1

[By Ma Zhiping: "More Firms in Private Sector Set Up"]

[Text] Private businesses in China continued to grow rapidly in the first quarter of this year, thanks to strong government support.

The number of individually-owned businesses and private firms expanded by 17 and 14 percent respectively, in the first three months this year compared to the same period last year, according to the State Administration for Industry and Commerce (SAIC).

"Private firms" in China are those companies employing more than eight people. Those which hire fewer than eight workers are called "individually-owned businesses."

During the first quarter, 33,500 new firms were set up in the private sector with 12.9 billion yuan (\$1.48 billion) of registered capital and a workforce of 480,300. This brings the total number of private firms in the country to 271,400 and the amount of their registered capital to 81 billion yuan (\$9.3 billion), said a SAIC report.

Private firms in towns and cities grew faster than those in rural areas, according to the report.

Guangdong, Zhejiang, Shandong, Liaoning, Jiangsu, Sichuan and Hebei provinces led the expansion of the private sector. Each of them now has more than 10,000 private firms.

The SAIC report noted that more and more private firms are switching over to manufacturing, commerce, consultation, catering services, transport and construction projects.

Steady Economic Growth Reported in May

OW1506110094 Beijing XINHUA in English 1039
GMT 15 Jun 94

[Text] Beijing, June 15 (XINHUA)—China's economy grew steadily last month, with soaring prices being put under control and production of state-owned enterprises improved, the State Statistical Bureau (SSB) announced here today.

The SSB index showed that the added value of Chinese industries increased by 17.3 percent in May in comparison with the same month last year. Production of state-owned enterprises turned for the better—up 5.6 percent on May last year, and 0.6 percent above the previous month.

During the first five months of 1994, the total added value of industries amounted to 619.6 billion yuan, 16 percent more than in the same period of 1993.

A bumper harvest of summer crops is expected by SSB officials, who cited favorable weather condition and farmers' growing enthusiasm.

Effective macro-economic control measures clearly helped push down soaring investment in fixed assets in May. The index indicates that state-owned enterprises invested 67.6 billion yuan in the month, down 16.3 percent from April.

Investment by state enterprises was 204.4 billion yuan for the first five months, up 34.2 percent over the same period last year.

From January to May, the volume of retail sales totalled 590.7 billion yuan, a rise of 25.2 percent over last year in money terms, which means an actual increase of 4.5 percent if inflation is allowed for.

In May alone, the figure was 121.4 billion yuan.

Exports totalled 9.45 billion U.S. dollars in May, 31 percent up on the same month last year, while imports totalled 9.7 billion U.S. dollars, a rise of 11.2 percent.

In the first five months of this year, China's imports were worth 39.28 billion U.S. dollars, 18.1 percent higher than in the same period of 1993, while exports jumped by 24.1 percent. The trade deficit in the first five months was 1.79 billion U.S. dollars.

SSB officials said that in May, China's financial conditions were "basically normal".

The government's revenue increased by 33.7 percent in May over the same month of last year, while expenditure rose 20.2 percent.

New bank savings amounted to 113.4 billion yuan, 79.4 billion yuan more than in May 1993.

A total of 8.5 billion yuan was withdrawn from circulation in the month.

The SSB figures showed that pressure from soaring prices was slowly eased. Retail sale prices went up by 18.9 percent over May last year, with the increase rate down 0.6 percent from April.

Economists pointed out that it is still very important to bring soaring prices under control. To maintain fast and healthy economic development, China should further implement macro-economic control policies, impose tighter control of prices and sustain proper economic growth.

Government Staging 'Massive' CPA Training Program

OW1406133894 Beijing XINHUA in English 1254
GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—The Chinese Government is staging a massive training program to produce certified public accountants [CPA] across the country to cope with the ever-growing demand.

"Our target is to produce over 60,000 CPAs in the next six years to bring the total number to some 100,000 by the end of this century," Vice-Minister of Finance Zhang Youcai told the press here today.

He said that CPAs will be directly involved in the business accounting of some Chinese firms this year. These firms will be large state enterprises, conglomerates and large shareholding companies.

In fact, Zhang said, all business accounting should be verified by CPAs in a market economy. But this cannot be realised at present since China at the moment only has 38,000 people with CPA qualifications.

According to Zhang, seven Chinese universities will open specialized courses of study for CPAs for the first time this autumn, with 300 students to be enrolled.

The new course of CPA studies will be expanded to more than 20 colleges and universities next year.

Apart from university study, the government will set up three CPA training centers—in Beijing, Shanghai and Guangzhou. The centers will begin to operate in two or three years, Zhang said.

The Law on Certified Public Accountants which went into effect at the start of this year stipulates that anyone who wants to obtain a CPA qualification must pass the national examinations.

China held two such exams in 1991 and 1993. Last year 13 percent of the 2,900 people who sat the exam obtained CPA qualifications.

The government will make the exam an annual practice and it will be open to foreigners in addition to people from Hong Kong, Macao and Taiwan, beginning this year.

People from overseas with Chinese CPA qualifications will be allowed to form CPA firms on the mainland on a partner basis, according to Zhang.

Auto Maker Becomes Nation's Top Machinery Company

HK1506064094 Beijing CHINA DAILY in English
15 Jun 94 p 2

[By Xiao Pei: "Car Makers Top Machinery"]

[Text] Shanghai Automobile Industrial Corp, with revenue totalling 21.9 billion yuan (\$2.5 billion) last year, has become China's largest machinery company.

And China No. 1 Automobile Group of Jilin Province and the Dongfeng Automobile Corp of Hubei Province rank second and third in the top 100 machinery enterprises, which was announced yesterday by the Ministry of Machinery Industry.

Revenue of the two auto giants both exceeded 20 billion yuan (\$2.29 billion).

The total sales of the top 100 enterprises reached 162.2 billion yuan (\$18.6 billion) last year, accounting for 45.5 percent of the industry's total.

Their taxes and profits amounted to 17.2 billion yuan (\$1.98 billion), accounting for 51.4 percent of the industry.

Auto manufacturers dominated the list of top 100 machinery enterprises.

Among the top 10, eight were auto makers, and 23 edged into the top 100.

The non-car makers in the top 10 were the Shanghai Electric Engineering Corp (seventh) and the Northeast Electricity Transmission and Substation Equipment Corp (ninth).

Three township enterprises also jumped into the top 100: The Chunlan Group in Jiangsu Province, Guangdong Kelong Electric Company and the Wanxiang Group in Zhejiang Province.

Agriculture, Chemical Ministries Sign Pesticide Deal

OW1506092294 Beijing XINHUA in English 0729
GMT 15 Jun 94

[Text] Beijing, June 15 (XINHUA)—The Ministries of Agriculture and Chemical Industry Tuesday [14 June] signed an agreement on wide-ranging co-operation in developing and promoting pesticides and chemical fertilizer.

The two ministries will also exchange information on issues such as the production of pesticides and chemical fertilizer, the acreage of crops and forecasts for plant diseases and insect pests, the agreement states.

They will probe new ways and means to scientifically apply fertilizer and pesticides so as to raise their utilization rate and reduce production costs.

According to the agreement, they will link the chemical fertilizer plants and the agricultural sector more closely as producer and consumer, by facilitating the circulation of chemical fertilizer and pesticides.

Meanwhile, the two ministries, in co-operation with other departments, promised to bolster market supervision and management, and halt the manufacturing and circulation of fake and low-quality products.

Also stated in the agreement is that the two ministries will help develop rural and township chemical plants, especially those in central and western China, and encourage them to conduct technical exchanges and co-operation with their state-owned counterparts.

Signed by Liu Jiang and Gu Xiulian, the respective ministers, the agreement is sponsored by the State

Council, which says it is conducive to the progress of agriculture and the agro-chemical industry.

Official statistics show that the use of pesticides has enabled China to make 30 billion yuan (about 3.4 billion U.S. dollars) in direct economic benefits every year.

The damage caused by plant diseases and insect pests are inclined to be heavy this year, and some 210,000 tons of pesticides are needed nationwide, according to official forecasts.

An official at the Ministry of Chemical Industry said that the ministry is now making every possible effort to guarantee the supply of all sorts of pesticides.

East Region**Value of State Assets in Shanghai Enterprises Grows**

*OW1506095194 Beijing XINHUA in English 0757
GMT 15 Jun 94*

[Text] Shanghai, June 15 (XINHUA)—The value of national assets in Sino-foreign joint venture and shareholding enterprises as well as in state-owned enterprises in Shanghai is expanding rapidly.

The proportion of the industrial output value of state-owned enterprises made up 67.6 percent of the city's total last year.

These enterprises contributed 26.73 billion yuan to the government in profits and taxation last year, up 24.3 percent over the previous year.

At present, Shanghai has 92 joint stock enterprises, with two thirds of the stock belonging to the state.

Shanghai has more than 6,000 foreign-funded industrial projects with a total investment of 7.2 billion U.S. dollars. Included are 4,800 Sino-foreign projects with a combined investment of 4.9 billion U.S. dollars. One third of the investment comes from the government.

The increased value of the state fixed industrial assets last year climbed to 73.189 billion yuan, accounting for 78.9 percent of the city's total and an increase of 6.638 billion yuan over the previous year.

Included were 1.516 billion yuan from joint venture and joint stock enterprises.

Shanghai Helps Money-Losing Enterprises Make Profits

*OW1506095394 Beijing XINHUA in English 0921
GMT 15 Jun 94*

[Text] Shanghai, June 15 (XINHUA)—On the first day of February this year, when newly-appointed director of the money-losing Shanghai No. 12 Woolen Textile Mill Wan Deming assumed office, he was chased by crowds of creditors and workers asking for payment.

Within one month Wan had cleared up the debts and the mill had earned a net profit of 90,000 yuan. In the second month this had risen to 180,000 yuan and in the third to 500,000 yuan.

The 56-year-old Wan attributed this success to his experience at the Shanghai no.2 woolen textile mill, a noted profit-making enterprise where he serves as concurrent director.

"The main reason why the No. 12 Woolen Textile Mill had been in the red for five years running and lost 61.52 million yuan was because its accounts were not in order and a few employees fished in troubled waters," said

Wan who became an apprentice at a textile mill at the age of 16 and completed a college course through self-study.

Soon after Yang Guangjie from the Shanghai No. 25 Cotton Textile Mill, a profit-making enterprise, became the head of the Shanghai Hongzhang Cotton Textile Mill, he was mocked and left out in the cold. Many professional skilled workers had transferred to other work units.

While reforming the labor and income distribution systems by selecting and putting talented people in important positions, Yang concentrated on developing new products and setting up joint ventures in co-operation with Hong Kong and Taiwan business people.

As a result, the mill has resumed its vitality, and the average employees' wages are expected to reach the middle or top levels of Shanghai's textile industry this year.

To get experienced managers to work in money-losing enterprises is one way to help these factories to extricate themselves from their difficult position, according to Jiang Yiren, vice-mayor in charge of industry.

"While supporting state enterprises with better economic results," he said, "we must help the struggling ones change their operational mechanism and make profits in line with their conditions."

By the end of last November Shanghai had 277 money-losing state enterprises, accounting for 28.9 percent of its total.

"The general debility of state enterprises hampers the national economy and the people's livelihood," said Wu Bangguo, member of the Political Bureau of the Central Committee of the Communist Party of China (CPC) and secretary of the CPC's Shanghai Municipal Committee.

"State enterprises are the backbone of the national economy, and have contributed 80 percent of the state's 500 billion yuan tax revenues over the past four decades," he said. "Shanghai's economy can hardly develop without these enterprises."

Under the old central planning system state enterprises used to make products according to the plans of the government, which offered them production materials and took charge of disposing of all the products.

As the government encouraged market economy, a number of major state enterprises did not know what to do or how to adapt to the market.

One example is the Shanghai heavy machinery plant, a major state enterprise with 10,000 employees, which was at a loss what to do and daily getting deeper in debt.

It was at this time that the government sent an official to the plant to turn it to market-oriented production.

"We used to wait for state contracts," a plant official said. "Now our salesmen positively go out to collect orders and our employees voluntarily work extra shifts to fulfil orders ahead of schedule. We also offer after-sale service, and the sales volume this year is scheduled to reach 600 million yuan-worth."

This year 46 money-losing industrial enterprises in Shanghai are expected to begin making profits. Meanwhile, some which have been in the red for a long time and of which the property can hardly pay its debts in kind, will close down, merges with other enterprises or go bankrupt.

Guidebook to Investment in Shanghai Published

*OW1406121994 Beijing XINHUA in English 1200
GMT 14 Jun 94*

[Text] Shanghai, June 14 (XINHUA)—A book that gives an overall introduction to the investment environment of Shanghai was published here today.

The Shanghai edition of the "Investment Guide to China" was prepared by an editorial committee headed by Huang Ju, mayor of Shanghai.

The Shanghai edition is the first of a series of localised versions of the guide. It is to be distributed in 160 countries and regions of the world.

The book details Shanghai's location, overall economic power, economic structure, industrial development, development and opening-up of Pudong and the relevant policies and regulations. It is accurate and practical.

The statistics in the book are up to the end of last year, checked by the municipal statistics bureau.

The book also outlines the process of investment and service institutions which can help.

Central-South Region

Jiang Zemin Expresses Concern Over Guangdong Floods

*OW1406144594 Beijing XINHUA in English 1411
GMT 14 Jun 94*

[Text] Beijing, June 14 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Chinese Communist Party, today expressed sympathy and solicitude for civilians and Army men in the flood-stricken areas in Guangdong Province.

Jiang was informed by telephone of the flood situation from the Guangdong provincial party committee and Guangzhou Military Command.

Jiang urged the party committee and the military command to make efforts to help the people overcome difficulties and reduce losses in the disaster.

Six cities in Guangdong Province were hit by floods at the end of last week, with reports of 58 deaths and 684 injuries.

8.09 million people in Guangdong were affected by the floods. Direct losses stand at about 5.8 billion yuan.

Jiang called on the government and Army to help the people who were affected by the disaster to resume production and rebuild homes lost in the flood.

Guangdong Welcomes Hong Kong Newspaper Delegation

HK1506063694 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 11 Jun 94

[Text] Xie Fei, member of the CPC Central Committee Political Bureau and secretary of the provincial party committee, and Governor Zhu Senlin met with a delegation of persons in charge of the Hong Kong newspaper WEN WEI PO in Guangzhou yesterday. Zhu Senlin gave an interview to the guests.

At the meeting, Xie Fei pointed out: We hope that Hong Kong will have a smooth transition in 1997. Stability and prosperity are in the interests of both Hong Kong and the mainland as they have identical interests.

Zhu Senlin remarked: In the last 15 years of reform and opening up to the outside world, Guangdong and Hong Kong have established very close ties. He maintained that Guangdong and Hong Kong can complement each other using their own strong points. In the days to come, they can open up new avenues of cooperation in two ways: One is that Guangdong and Hong Kong can join hands to develop the international market and the other way is that in finance, Hong Kong's strong point as a financial center should be utilized to do an ever better job of raising funds. This will help to raise funds promptly for Guangdong's economic construction and provide support in funds for the province's effort to set up enterprises abroad.

Guangdong To Pool Investment for Mountainous Areas

*OW1506141994 Beijing XINHUA in English 1341
GMT 15 Jun 94*

[Text] Guangzhou, June 15 (XINHUA)—South China's Guangdong Province plans to hold investment-promotion talks especially for the mountainous counties from August 18 to 24 this year.

The province will also hold an exhibition of poverty-relief achievements made in the mountainous areas in the past ten years.

Guangdong has 50 mountainous counties, making up 65 percent of the whole territory of the province and 42 percent of the province's population, and among which 31 counties are below the poverty level.

To help these areas shake off poverty, the provincial government has granted broad preferential treatment to the most destitute areas.

From 1985 to 1993, the total agricultural and industrial product value of the 50 mountainous counties has increased by four times and the average annual income of the farmers has doubled to 1,250 yuan.

The investment environment of the mountainous areas has also been vastly improved in the past few years. Several railroads and highways have been built across the areas. Roads through the 50 mountainous counties now total 33,000 km.

Meanwhile, all 50 counties have installed program-controlled telephones.

These areas are also rich in labor and natural resources, such as forests, minerals, rocks and hydropower.

Interview With Hainan Governor on Economic Development

HK1506053494 Hong Kong WEN WEI PO in Chinese
10 Jun 94 p a2

[("Dispatch" by staff reporter Liu Yung-pi (0491 3057 4310) and special reporter Lin Kang-hai (3651 0474) from Haikou, 9 June: "Hainan Province Decides To Inject Fresh Motive Power to Its Economic Construction"]

[Text] Ruan Chongwu, chief administrative executive of China's youngest province and biggest special economic zone, concurrently secretary of the provincial party committee, gave a special interview to these reporters here a few days ago. He pointed out: This year, while development and reform are in a crucial stage, the provincial government will pay close attention to the consolidation and implementation of the series of reform measures which the central and Hainan provincial authorities have promulgated. Great efforts will be made to organize the implementation of those moves by proceeding in an orderly manner, and step by step, and motive power will be injected continuously to ensure the sustained, rapid, and healthy development of Hainan's economy.

Governor Ruan said: Various major reforms centering on the establishment of a socialist market economic structure have been introduced. Moreover, Hainan has its own concrete reform measures, such as the establishment of a company system in state-owned enterprises, opening of the property rights trading market, the introduction of a modern tax collection and management system, and improvement of the open foreign economic structure. These measures involve an extremely wide range of endeavor and their implementation is a task of primary importance. When answering the question of how to absorb foreign capital more vigorously as macro-regulation and control are applied, the Governor said: "Hainan has its unique strong point, which no other

cities in the country have. We are pursuing the practice of issuing visas at the airport to provide the greatest convenience to foreign businessmen and ensure that they can leave the country from other ports. Our preferential policies on investment and taxation will remain unchanged, as will our relaxed investment environment. If there is any change it will be to make it even more appealing. We will also transform our government functions, reduce the number of 'keepers [ba men di 2116 7024 4104],' and we will not set up any customs barriers, namely, we will reduce examination and approval procedures and increase the number of people 'engaging in hygiene [gao wei sheng di 2269 5898 3932 4104].' To put it another way, while acting in accordance with the laws governing the market economy, we will practice standardized management and supervision." This outstanding student, who graduated from the Automotive Machinery College in Moscow, displayed his ability to skillfully summarize things. This simple and vivid analogy was an embodiment of the Hainan Government's general line of thinking on reform and has attracted the attention of economic theorists and journalists and has received the approval of governments at all levels and the relevant departments in the province.

Full of confidence, Governor Ruan said: "Hainan encourages a free flow of personnel, funds, and commodities. In Hainan, there are many opportunities to make money and reap quick profits, with the average rate of returns amounting to 20 to 30 percent. I believe that so long as 'there are people making money here, others will follow suit.' More and more foreign businessmen have set foot on the soil of Hainan and increased amounts of funds have flowed into Hainan. This is the best proof of my argument. Last year, Hainan signed 316 new contracts on foreign capital utilization, an increase of nearly 83 percent over the previous year."

When talking about this year's tasks, this No. 1 man in Hainan said: "This year we will continue to uphold the principle of infrastructures going first and strengthen the construction of infrastructures. We will transform ports, construct railways and expressways, build Haikou's Meilan Airport, and develop the electric power, post and telecommunications, oil refining, construction materials, steelmaking, and food processing industries as well as tourism.... There are too many things for us to do."

With a feeling of joy and a proper sense of pride, Governor Ruan informed these reporters: "In the last two or three years, Hainan's gross domestic output value has increased at an average annual rate of close to 23 percent, more than 10 percentage points over the nation's average growth rate. This is a world record. This year we will maintain a growth rate of 18 percent so that Hainan's economy forges ahead in a sustained, rapid, and healthy way."

When asked about his feelings regarding his management of Hainan affairs, this current magistrate of Hainan Island, who has previously been China's labor and public security ministers, said: "I have a deep love

for Hainan, which is an island clinging to the Chinese land and to which the central authorities have attached ever greater importance. It is a treasure island which finds favor in the eyes of more and more farsighted people. With its abundant natural resources, tropical beauty, and relaxed investment environment, Hainan has become an ideal place, attractive to both investors and tourists. I am fully hopeful about Hainan."

Henan's Linzhou City Displays Good Spirit

Scores New Accomplishments

HK1506102894 Beijing RENMIN RIBAO in Chinese
10 Jun 94 pp 1,2

[By staff reporter Zhang Hongfan (6774 2347 5400): "The Pearl of Taihang' Has Become Even More Splendid—Linzhou People Have Completed Another 'Red Flag Canal' Project"]

[Text] Henan Province's Linzhou City (formerly Linxian), is located on the eastern slopes of Mount Taihang, at the conjunction of three provinces, namely, Henan, Shanxi and Hebei. Its terrain is mountainous and covered with thousands of steep ridges and peaks.

The area was formerly an impoverished county, severed from the rest of the country by its poor transportation conditions, lack of resources, thin layer of soil over its rocky fields, and with water as costly as oil. In the wake of reform and opening up, Linzhou people have brought forth their past "Red Flag Canal" spirit, and scored new accomplishments under the leadership of party organizations at various levels. At the end of 1993, the city's gross output value was 4.89 billion yuan and its financial revenue ranked among the advanced in Henan; a favorable balance in savings deposits of urban and rural residents was 2.77 billion yuan, topped the whole province. The city's comprehensive purchasing power jumped from 44th place in 1990 to 12th in the province.

In their march to mount a new economic plane and achieve comparatively well-to-do living standards, Linzhou City has persisted in "doing two types of work simultaneously, attaching equal importance to both," reaping a bumper harvest in building both material and spiritual civilizations. The running water in the Red Flag Canal clearly reflects the new image of the Linzhou people devoting themselves without reservation to accomplishing the task, making efforts to progress, and being prosperous and civilized in the 1990's.

Never Give Up the Soul of the Nation

Talking about Linzhou people, we naturally associate them with the Red Flag Canal, which is their pride and joy and an immortal monument.

It was in the three years of natural disasters during the 1960's, under the circumstances whereby the 200,000 residents of the locality were allowed a daily ration of only 300 grams of grain, using the strength of carrying

poles and their own bare hands, they leveled out 1,250 hills, built 157 aqueducts, dug 21 tunnels, and completed an artificial canal, the Red Flag Canal, which was 1,500 km long. This tied a silvery ribbon around the waist of Mount Taihang, bringing in the waters of the Zhang He.

Linzhou people in the 1990's have become well-off and their concepts have been rethought. Confronted with the current of reform and opening up and the pounding from the commodity economy, does the past pioneering spirit of hard work with perseverance continue to shine along the Red Flag Canal? Mao Wanchun, Linzhou City CPC Committee secretary told this reporter: "The Red Flag Canal spirit is a tremendous source of wealth for us. We must bring forth the pioneering spirit of hard work with perseverance to strive for a new 'Red Flag Canal' project for construction, reform, opening up, and economic development."

Anyang Dafang Ceramic Company Ltd., was the first joint-venture with Chinese and foreign investment in this small city and there was a very heartwarming story in the course of its development.

On 18 June 1993, a team of Italian experts involved in the joint-venture arrived in Linzhou to install equipment, making slight of the long journey. When they saw that two presses, each weighing 50 tonne and 6m in height were still to be positioned, they asked the factory to order the services of a 70-tonne crane.

There were no 70-tonne cranes in Linzhou, not even in the Anyang areas. When the factory director Hou Yonghe told the Italian team that he had decided to position the machines using manpower, an Italian expert said bluntly: "The conditions for installing the machines basically do not exist in this place; the positioning will take a very long time. We will return to Italy first and come back again in six months time to install them." With these words, they went straight back to the guest house.

To win time, Hou Yonghe followed them to the guest house, and explained to them the possibility of positioning the equipment by manpower; however, the foreign experts shook their heads, because never in their lives had they witnessed such an action and they had been to every part of the world. At last, Hou Yonghe entreated: "Please give me three days; if we fail to position the presses by the end of three days, I will personally see you off at the Zhengzhou Airport!"

The foreign experts laughed at this, and the team leader said: "Three days, Mr. Hou? I don't think it possible even if you have 10 days! If you succeed in positioning them in three days, I will give you a \$1,000 reward to show my appreciation!"

Although time was won, the director's heart was heavy.

There was no retreat, they had to cross the Rubicon; it was time to test the Chinese will. A crack team comprising more than 20 workers was formed. They borrowed six 50-tonne screw jacks, four 20-tonne pulleys, and 200 railway sleepers from another factory. Thus, the 50-tonne equipment was moved upward inch by inch, and forward millimeter by millimeter. It took them 38 hours to fulfill the task; none of the workers left the work site, and the factory director did not shut his eyes for a wink of sleep; consequently, the two mammoths were positioned, the whole process was likened to "ants gnawing at a bone."

At the guest house, the interpreter repeated the message twice, but the Italian experts remained doubtful. It was not until they arrived at the work site in the workshop, when Mr. Piarener, the technological executive witnessed the result with his own eyes, that he suddenly hugged Hou Yonghe, and said with admiration: "That is unbelievable, really unbelievable! Linzhou people are swell!" The Italian experts were totally convinced and promptly contacted their general executive and the decision was made to invest more in Linzhou to build a second and third production line.

Today, the pioneering spirit of hard work is often thought and talked about among Linzhou's cadres and masses; furthermore, new essences of the spirit are found through constantly talking about it. Hou Yonghe said: "Through practice in running a joint-venture with Italian investment, we have come to a profound understanding that the pioneering spirit of hard work hard with perseverance is also in the investment climate." Wang Fasui, party branch secretary of Yaochun Town's Shijiahe village, said: "The pioneering spirit of hard work with perseverance we refer to today is not confined to living a frugal life and being willing to contribute one's greatest efforts to work; the more important point is a spirit of "dauntless persistency," being bold in blazing new trail, developing an undertaking, working with perseverance, and making progress in a scientific way." On five occasions, Henan Provincial CPC Committee Secretary Li Changchun has been to Linzhou to conduct surveys and summarize experiences. He said: "The pioneering spirit Linzhou people shaped in the course of building the Red Flag Canal, being continuously enriched in the period of reform and opening up, embodies the combination of our fine national spirit and the modern idea of reform and opening up and making concrete the great pioneering spirit of the new period advocated by General Secretary Jiang Zemin; it is the crystallization of the national soul of the Chinese nation."

Use the Best "Steel" To Make the Knife's Edge

In the past, Linxian was synonymous of poverty and backwardness but, with today's economic development, Linzhou's financial "cake" has become ever larger; consequently, the purses of ordinary people have become fatter with each passing day. When they briefed visitors in turn on the splendid accomplishments of the Red Flag

Canal, they were proud of the fact that the favorable balance in savings deposits of Linzhou residents topped the province.

It is true that poverty does not spell socialism. The more precious is the fact that as Linzhou people advance on the path to becoming comparatively well-off and prosperous, their fine tradition of being diligent and thrifty and working hard with perseverance has been sustained; they are spending the precious wealth they have created through their own diligence on those projects whereby a whole generation or several generations will benefit.

Members of Linzhou City's leading bodies at various levels took the lead in sharing and paying for their meals with the masses in their homes.

People from Shijiahe village who became well-off have all moved into rows of country-villa-style two-story houses. They have digital telephones and closed-circuit television installed in addition to a central water supply and their children are entitled to free nine-year compulsory education. It is a billion-yuan village and is famous far and wide. However, in this very same billion-yuan village, there are only four cars, all public owned and used exclusively to receive or send off experts and professors or other guests invited to the village. When village-run factory directors are on an errand, they take the bus to Anyang and then take a train. When they were out of town on errands, almost every one would take pancakes and noodles for meals, and book the cheapest hotel rooms which charge under 20 yuan.

Dingjiao Village ranks sixth in Henan's economic construction at village level and is one of Linzhou's richest villages. Here, when young people get married, the popular way of celebration is "eating from the same big pot." On a wedding day, one huge pot is used to prepare steamed rolls and rice, with another huge pot used to cook vermicelli, meat, bean curd, and vegetables. Together with the guests, mostly neighbors, the bridegroom and bride of the day will be given a bowl of rice or steamed rolls along with a bowl of the hotchpotch, it is simple but lively and exciting. Li Chunsheng, the village party branch deputy secretary, said: "It isn't that we cannot afford it but we just do not go in for ostentation and extravagance. It is not our way. Now that we are well-off, we have not become extravagant in our weddings or funerals."

Linzhou people who take the long-term view, think not only of themselves but of others since they became well-off. Their focus of attention is placed not only on the present but more on the future. Regarding some social welfare undertakings and matters involving long-range interests, people in the hometown of the Red Flag Canal have always shown an easy generosity.

In Linzhou, there are far too many examples of ordinary people and incidents of donating funds or making investment in running educational undertakings. Perhaps the statement by Li Guangyuan, Dingjiao Village CPC Committee branch secretary summarizes the idea they share:

"Should we farmers, who cannot possibly clear all the mud from ourselves, want to become rich and be so forever, we must rely on talented people."

Elderly Song Qisheng of Chengguan Town's Beiguan village, donated the bulk of his 300,000-yuan lifetime savings, as his old age actually approached, to build a three-story school building with a floor space of 1,400 square m, which he personally designed and oversaw its construction. He left it to the small mountain village which had nurtured him before he passed away. This "Qisheng School Building" now has some 650 county children in 10 classes.

At Linzhou City Educational Commission, this reporter learned that, by the end of 1993, the city had collected 220 million yuan in educational funds, of which 150 million yuan came from voluntary donations from society and the masses; 718 persons made donations ranging from 1,000 to 10,000 yuan, 82 persons donated over 10,000 yuan, and the highest donation was 490,000 yuan.

Covering the various villages in Linzhou, this reporter found that the best buildings were the schools. According to a briefing, some 440 brand-new schools have built here; consequently, entrance examinations for high school enrollment were abolished. The school building in Hejian Town's Beixiaozhuang enjoys a reputation as "the Presidential House" because of its most up to date design. Some 96 pupils from Linzhou First Primary School were awarded with national prizes in the "National Olympic in Mathematics for Primary School Pupils." Su Qishu told this reporter: "Presently our city is building a school for the deaf and dumb, so that the handicapped can receive a regular education. Although the city finances are not sufficiently ample, the city would rather be thrifty in other areas than spare money on education; we want to use the best steel to make the knife's edge."

Writing a New Chapter on Common Prosperity

In front of the Dingjiao Industrial General Company's office building in Dingjiao village, Yaochun Town, Linzhou City stands a quasi-bronze statue of an ox willingly serving the masses; it is bending its back as it forges ahead and is a magnificent piece. Li Guangyuan, Dingjiao Village general party branch secretary, concurrently Dingjiao Industrial Group General Company manager said: "There is some foundation to our economic development but we must continue to work hard. We communists just follow the example of the ox in guiding the masses to advance toward common prosperity.

Because a number of such willing and hard-working people have persisted in a correct orientation, Linzhou is taking a broad avenue toward common prosperity in building a new order for the socialist market economy today. In the vanguard marching along this avenue, communists have composed a symphony about working

hard with perseverance, always being ready to devote themselves, and cherishing and working for the people through their actions.

Shibanyan used to be the remotest and most backward township, located at the highest altitude above sea level in Linzhou. A folk song has it: "Rocks on the road are as large as oxen; mountain floods have left gullies everywhere; people worry while riding bicycles or traveling on foot; and the most dreadful thing is the meeting of two cars going in opposite directions." Because of its natural conditions, when 10,000-yuan households, billion-yuan villages, and star towns surfaced among people in other localities down the mountain, the masses here could only just manage to have sufficient food and clothing.

The Linzhou party organization did not put Shibanyan Township out of its mind. In 1992, the city party committee organized an effective leading body for the township; again, in 1993, the township was opened up as the city's special experimental zone for economic development, while allowing it various preferential policies and giving the green light to Shibanyan's economic development. When this reporter arrived in the township on a rainy day, he saw the roads here had been widened, with electric wires and telephone lines installed; enterprises in townships and towns along with the tourist industry were on the rise; 16 enterprises from Hong Kong, Zhengzhou, and Anyang came to this "most exciting place" and to date 15 million yuan in investment funds have been received. Today, Shibanyan is gradually being reinvigorated in its takeoff.

In Linzhou's villages, which have became prosperous one after another, the communists there always have the masses and collectives in mind and they are doing their best to fulfill their communist duties, portraying a new generation of Linzhou heroes.

Wang Fasui, Shijiahe village party branch general secretary, concurrently general manager of Shijiahe Enterprise Group General Company, together with his partners was entitled to receive a percentage of the profits of 1.27 million yuan when the first round of contracted projects was completed. Should they keep the money to themselves or invest it as a collective accumulation in reproduction? Wang said: "It would be telling a lie to say that the huge sum did not move us. However, we communists should have loftier ideals. The enterprises in the village have only just started and we communists should not think only of our own personal gain. The more important point is to lead the masses to work hard to make progress and realize common prosperity." In the end, Wang Fasui convinced his partners and resolutely donated the whole sum to the village.

In his briefing, Di Jianzhou, Yaochun Township party committee secretary said that Li Jingyuan, a party member from Lijiagang Village started building a casting workshop after his demobilization from active service and was capable of making a profit of 100,000 yuan each year. In 1991, the villagers unanimously elected him

village party branch secretary, with an annual wage of only 6,000 yuan. Put to the test of money and interest, Li Jingyuan said: "Despite the fact that I personally have become well-off, the villagers have not. The masses have faith in us communists. Under such circumstances, we must guide the masses to eradicate poverty and forge ahead to become comparatively well-off." Today, 80 percent of peasants in Lijiagang are living in two-story houses, every villager is exempted from various charges, and Lijiagang has become the third "wealthy household" among the town's some 50 administrative villages.

It is precisely because there are hundreds of fine elements like Wang Fasui and Li Jingyuan that Linzhou, the brilliant star of building the material and spiritual civilizations, has risen over the Central China Plain. The responsible persons from the province's 17 prefectures and cities, county party committee secretaries from its 118 counties, and 2,500 party branch secretaries from impoverished villages have all visited Linzhou. Since the second half of 1993, they have arrived in Linzhou in turn to be baptized by the Red Flag Canal spirit. The reinvigoration of a city and an area is not all the Linzhou people are after and it is their wish that everyone will become well-off.

Mount Taihang has endowed Linzhou people with the boldness of vision and the courage to overcome difficulties and the Red Flag Canal water has nurtured their pioneering spirit of working hard with perseverance. Linzhou, the pearl of Taihang, will become even more splendid in the future.

Commentator Lauds City

HK1506103894 Beijing RENMIN RIBAO in Chinese
11 Jun 94 p 1

[Commentator's article: "Soul of the Nation, Pride of the Times—on the Spirit of Linzhou People for Doing Arduous and Pioneering Work"]

[Text] The item entitled: "'The Pearl of Taihang' Has Become Even More Splendid—Linzhou People Have Completed Another 'Red Flag Canal' Project" carried in this paper today, records and narrates the Linzhou people's inheriting and bringing forward the fine tradition of working hard with perseverance in pioneering and their feats in reaping a bumper harvest in both the material and spiritual civilizations during the new historical period of building the socialist market economic structure. The article is exciting and enlightening.

The pioneering spirit of working hard with perseverance is the concrete embodiment of the traditional virtues of the Chinese nation as well as the quintessence of the pioneering spirit Comrade Jiang Zemin advocates during the new period. It has crystallized the national soul and sparkles with the light of the times. Materialist dialectics tells us that the basic impetus pushing the development of things lies in their internal movement of contradiction; the internal cause is the grounds for change, whereas the external cause is the conditions for

the change. That being the case, the pioneering spirit of working hard with perseverance is applicable not only to those areas where the natural conditions are bad but also to other areas and trades; it is applicable not only to past years wherein the planned economy was mainly practiced but also today, when we are developing the socialist market economy and conducting modernization. True, the economic growth rate and the work accomplishments of a locality or department depend on their objective conditions. However, more importantly, they also depend on the efforts of the cadres and masses in the locality or department as to whether or not they boast the pioneering spirit of working hard with perseverance and going all out to make the country strong, as Linzhou's cadres and masses have displayed. Should cadres and masses work in concert, engage in their undertakings with one heart and soul, and follow the example of Linzhou in building a new project akin to the "Red Flag Canal" in reform, opening up, and economic development, those places with poor natural conditions will also become prosperous!

Currently, China is in a period in which the new structure is replacing the old, reform is in a stage of tackling bottlenecks to resolve problems at deeper levels, and with greater scope in economic construction undertakings, hence the tasks are more arduous. This precisely calls for powerful political insurance and spiritual pillars. Compared with the past, our material conditions are now much better; however, should we be content with things as they are, not seek to make progress, forget the spirit of devotion, and give up the fine tradition of working hard with perseverance, we will lose the powerful spiritual impetus and we will bring extremely great losses to our cause.

To bring forth the pioneering spirit of working hard with perseverance, party organizations at various levels must give full play to the role of a fighting bastion and the broad party members should play an exemplary role in taking the lead. For a long time, the mayor of Linzhou has precisely persisted in augmenting building party organizations at various levels, with party members taking the lead in playing an exemplary role. For the masses' common prosperity, Linzhou's Communists would rather sacrifice their personal interests to lead the masses to work hard in pioneering undertakings to strive for common prosperity.

We believe that, with such party organizations, and party members, and people like those in Linzhou, the pioneering spirit of working hard with perseverance will pass from one generation to another and the socialist cause of reform and opening up will develop vigorously, flourishing with each passing day.

Southwest Region

Sichuan Expands Markets To Attract Foreign Funds

OW1506021794 Beijing XINHUA in English 0136
GMT 15 Jun 94

[Text] Chongqing, June 15 (XINHUA)—Xiao Yang, governor of southwest China's Sichuan Province, said

that Sichuan will attract more foreign businessmen through building a large market.

At a seminar entitled "International Capital Market and Inland Economic Development in China", Xiao said that the most important link in economic development lies in correct analysis of the capacity of market.

He said that the larger a market is, the more funds it will attract.

He said that Sichuan Province has formed a large market involving 400 billion yuan, which has even been regarded as the ninth largest market in the world by some American economists.

As one of the largest provinces in China, Sichuan occupies 570,000 square kilometers and has a huge population of 110 million. It has rich natural and labor resources.

The governor said that now Sichuan is expanding its market at a rate of 10 percent annually.

He said that if his province can introduce 2 billion U.S. dollars per year, the gross domestic product of Sichuan is expected to grow at an annual rate of more than 10 percent.

By the end of this century, the gap between the economic growth of Sichuan and provinces in coastal regions will be markedly narrowed, he said.

The governor said that now some large international consortiums have begun to invest in basic construction projects in the energy and communications sectors.

Last year, Sichuan introduced 2.4 billion U.S. dollars in foreign funds and approved 1,900 foreign-funded enterprises.

Tibet Leader Raidi Views Stability, Separatism

OW1406141894 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 13 Jun 94

[From the "News" program]

[Text] Raidi, executive deputy secretary of the autonomous regional party committee and chairman of the autonomous regional people's congress standing committee, recently conducted investigations and study in Xigaze Prefecture. After hearing briefings by the prefectoral party committee and administrative office, Comrade Raidi, first of all, fully affirmed the work carried out by Xigaze Prefecture in recent years. He said: Under the prefectoral party committee's unified leadership, and thanks to the joint efforts of the party, government, military, police, and people, Xigaze showed significant improvements in its work over the past few years, scoring tremendous results in all fields of work. Specifically, it has done plenty of fruitful work in carrying out reform, in opening up to the outside world, in developing the economy, in fighting against separatism, in keeping

the situation stable, and in fortifying border defense, and has achieved notable results. The party's basic line of "one center and two basic points" has been implemented with fairly good results in Xigaze Prefecture. On the whole, the prefectoral party committee and people's government are satisfied with and full of confidence in the work carried out by Xigaze Prefecture.

Next, Comrade Raidi offered a six-point opinion regarding the work in Xigaze Prefecture. 1) We should fully understand Xigaze Prefecture's important status. Xigaze Prefecture has historically been a strategic place which occupied an important position. Even now, it still enjoys a decisive position in the region. It takes up over one-third of the region's approximately 4,000-km border. Nine of the region's 22 border counties, or over one-third of the total, are in Xigaze. More than one-quarter of the region's 2.3 million-plus population, or 580,000 people, live in Xigaze. Xigaze occupies more than 1 million mu of farmland, or one-third of the region's 3.3 million-plus mu of farmland. Of the region's more than 22 million head of livestock, Xigaze Prefecture owns more than 5.6 million head, or over one-quarter of the total. Xigaze represented one-sixth of the region's 1993 total annual value of goods and services, which amounted to more than 3.6 billion yuan. It accounted for approximately half of the region's 1993 total grain output, which amounted to more than 1.2 billion jin. Xigaze Prefecture occupies a very important position in the region in many other fields. Besides, the Zhaxi Lhunbo Lamasery and other major temples are also located in Xigaze. Xigaze enjoys an even more prominent position in the realms of religion and traditional culture. For this very reason, the manner in which Xigaze carries out work, whether the situation in Xigaze is stable, whether the economy can be developed, and whether people's lives are improving constantly have a direct bearing on the entire prefecture. Those of you who work at the prefectoral party committee and administrative office should fully understand this point. You should truly understand the importance of improving Xigaze Prefecture's work from overall and strategic perspectives, and clearly recognize the heavy responsibility on your shoulders. On the basis of current achievements, you should lead people across the region to raise Xigaze's work to a new high through the joint efforts of the party, government, military, police, and people.

2) We should further clarify the guiding ideology for our current work. A clear guiding ideology holds the key to improving work in a locality or department. This year, the CPC Central Committee has laid down a 22-character guideline for carrying out the entire party's work: seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability. This 22-character guideline fits the national reality completely, and certainly, it fits Tibet's reality completely. It is the basis on which we consider things and set our guiding ideology, as well as a general demand which we must meet in carrying out various fields of work. In my opinion, there are two basic aspects

in applying this 22-character guideline to Tibet's reality. First, we should correctly handle the dialectical relationship between stability, reform, and development. While representing tasks in three areas, these three factors are closely interconnected and mutually supplementary. Without political stability, we cannot speak of reform, and without reform and opening up, we cannot speak of development. Comrade Xiaoping clearly defined the relationship between these three factors long ago. The relationship between these three factors can be simply described as follows: Stability is the premise, reform is the driving force, and development is the foundation. So long as we properly handle the relationship between these three factors, we will identify the major contradictions in setting our guiding ideology, and will not deviate significantly from that ideology. This is true for the entire region as well as Xigaze Prefecture.

Second, we should steadfastly uphold the principle of performing two tasks simultaneously. Xigaze Prefecture is at the forefront of fighting against separatism, safeguarding the motherland's unity, and fortifying border defense. It is of great importance to fight against separatism, keep the situation stable, and fortify border defense while carrying out reform, opening up to the outside world, and developing the economy. This not only has a bearing on Xigaze Prefecture's stability and development but also on the region's overall situation.

3) We should make even greater strides in reform and opening up. Along with the ever-deepening drive of reform and opening up across the nation, our region has moved into a crucial phase of reform and opening up. Last year and this year saw the promulgation of one reform measure after another. Implementation of these measures is a crucial step to reach a new high in our economic development. All prefectures and cities face the formidable task of tackling key reform-related problems. According to the general guidelines of the guiding ideology and basic principles set forth last year by the fifth enlarged plenary session of the Fourth Tibet Autonomous Regional Party Committee regarding our region's transition to a market economy, we must steadfastly build a socialist market economic structure which corresponds to the national framework and converges with the national structure. We should proceed on all fronts while achieving breakthroughs in key areas. Meanwhile, we should advance reform prudently and steadily while keeping our region's reality in mind, maintaining stability, and giving full consideration to our region's realities in various aspects. We should also stress efforts to publicize and explain reform measures before unveiling them, consider things carefully, carry out meticulous ideological work, and implement various measures. We should ensure that most people will support the implementation of various reform measures, that a new system will replace the old one smoothly, and that all reforms will proceed successfully.

4) We should continue to place great importance on agriculture and devote serious efforts to it. Chairman Mao once said: We will not panic if we have grain in our

hands, and we will be happy if we work in a down-to-earth manner. Our country is densely populated, and its major concern is to feed its people. Accordingly, the party Central Committee and the State Council have always set great store by agricultural issues. The rural work conference convened by the party Central Committee last year renewed the call for the entire party and country to take agricultural issues seriously. Judging by our region's reality, agriculture and animal husbandry have always occupied a very important position in the economy. Agriculture and animal husbandry are our region's basic industries, in which some 80 percent of the region's population work, and whose output value accounts for 80 percent of the total industrial and agricultural output value. Therefore, we should take agricultural issues very seriously. Xigaze Prefecture is a major grain producer in our region; its total grain output reached 260,000 tonnes last year, or approximately half of the region's output. On the one hand, this illustrates Xigaze's success in grain production. We should say that Xigaze contributed tremendously to the region. On the other hand, it also shows that whether Xigaze Prefecture can continue developing its agriculture has a great impact on the region as a whole. Therefore, we hope that the prefectoral party committee and administrative office will work unflaggingly and persistently in agriculture and animal husbandry; carefully sum up the positive experiences of the past few years in agriculture and animal husbandry; actively explore ways to further develop agriculture and animal husbandry in the new situation of establishing a socialist market economic structure; and strive for a new high in agricultural production.

5) We should do solid work in keeping the situation stable. To keep the situation stable, we should first genuinely solve the problem of conception while carrying out some specific tasks in a down-to-earth and meticulous manner. I would briefly discuss a number of issues which Xigaze should now tackle on a priority basis. First, we should tighten border control. With a border that extends more than 1,500 km, Xigaze faces very formidable tasks in border control. This is especially true because most of the region's important border ports are situated in Xigaze. How to tighten control represents a very important task. Taking one step further toward tightening control and plugging as many loopholes as possible are of great importance to keeping the situation stable and fortifying border defense. Second, we should further strengthen army-civilian and police-civilian relations. Chairman Mao once said: If the army and the people are united as one, who in the world can match them? Xigaze is an important border region where a substantial number of troops and armed policemen are stationed. Strengthening the relations between the army and police on the one hand, and the government and people on the other hand, is of great significance. On the local level, we should take the initiative to actively and regularly support the army and police, give preferential treatment to their dependents, help army and police units solve practical problems, and properly deal with

the phenomenon of lack of coordination between the army and people, and between the police and people, while fully recognizing the great importance of army-civilian and police-civilian relations.

We should highly value and carry forward the good army-civilian and police-civilian relations which Xigaze Prefecture has fostered over the years, and strive to further strengthen such relations under the new situation. Third, we should properly solve new problems which have cropped up in the course of reform. As reform and opening up have deepened, many new problems and contradictions have emerged one after another. We should fully prepare ourselves mentally for these problems and contradictions, and try our best to give priority to our work while solving contradictions at the grass-roots level and nipping them in the bud. We should also strengthen work in other aspects. For example, we should tighten internal control; properly carry out ideological education; improve all facets of public order; successfully carry out united front, nationalities, and religious work; let patriots play their roles in keeping the situation stable; strengthen temple management; and exercise stronger leadership in keeping the situation stable.

6) We should further strengthen the cadre ranks. After we have set a clear political line, cadres represent the decisive factor. A strong cadre contingent is essential whether in reform and opening up or in the fight against separatism. Generally speaking, Xigaze has a good cadre contingent; however, it must further strengthen its cadre ranks in keeping with the new situation and new tasks. This is a long-term, strategic task. Currently, we must beef up the cadre ranks in accordance with the principle of carrying out two tasks simultaneously. On the one hand, we should continue to heighten the awareness of cadres, especially those holding leadership positions, about the fight against separatism, so that they will resolutely resist the infiltration of separatist forces operating within and outside the national borders, strengthen their basic political stand on safeguarding the motherland's unity and strengthening unity among various ethnic groups, and clarify some muddled conceptions in both theory and practice. We should project an image befitting a Communist or cadre among the masses, and ensure that our cadre ranks will be highly combat-effective in the fight against separatism. On the other hand, we should keep improving the ability of cadres at all levels to adjust to the new situation of fostering a socialist market economy by seriously studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, studying the theory on socialist market economics, acquiring modern scientific and general knowledge, and improving their own quality. Moreover, cadres at all levels should further improve their work style, link theory with practice, foster close ties with the masses, diligently and honestly perform their official duties, and serve as good public servants.

In closing, Comrade Raidi said: The party Central Committee, the State Council, and the Central Military

Commission show deep concern for and attach great importance to the work carried out by Tibet. Party, government, and military organizations at all levels should make concerted efforts to improve various fields of work in Tibet, thereby living up to the high expectations of the party Central Committee, the State Council, and the Central Military Commission.

Yunnan Stepping Up Foreign-Funded Asset Assessment

HK1506105094 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 9 Jun 94

[Text] A total of 753 foreign-funded enterprises had been registered across the province by the end of last year. In order to establish and refine a socialist market economic mechanism, the province will step up verification of equipment imported by foreign-funded enterprises, as well as assessment of assets owned by foreign-funded enterprises. Since last year, the province has assessed assets owned by 16 groups of foreign-funded enterprises—including enterprises run with one of three types of capital: foreign capital, overseas Chinese capital, and with both Chinese and foreign capital—and has verified a total of \$3,076 million in assets.

Owing to the province's belated asset assessment work, only 2.1 percent of the province's foreign-funded enterprises thus far have participated in the asset assessment process, while only 0.5 percent of the province's foreign funds, including those invested in enterprises run with three types of capital, have been assessed.

In order to guarantee continued economic growth and to protect the legitimate rights and interests of investors with relevant laws, the province yesterday held a work meeting on publicizing and implementing a series of foreign investment and foreign-owned asset assessment and management measures.

Lin Jingxin, provincial commercial inspection bureau chief, delivered at yesterday's meeting a speech in which he called on all units concerned to vigorously publicize and strictly implement the measures drawn up by State Commercial Inspection Bureau and Ministry of Finance. Lin urged leaders at all levels, foreign-related asset assessment offices, foreign-related accounting offices, and other departments concerned across the province to attach great importance to, actively coordinate with, and vigorously support foreign-related asset assessment work.

Northeast Region

Heilongjiang Secretary Inspects Shuangyashan

SK1506064894 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 14 Jun 94

[Text] Conducting investigations and study in Shuangyashan city, Yue Qifeng, secretary of the provincial party committee, pointed out: A prominent task that lies

ahead for all people of the province is to rapidly turn the advantages of having natural resources into those of having commodities. The leaders at various levels and the masses should emancipate their mind, change ideas, and smash the bonds of the planned economy.

On 12 June, accompanied by Ma Guoliang, deputy secretary of the provincial party committee; and Wang Xianming, secretary general of the provincial party committee, Yue Qifeng, secretary of the provincial party committee, went to Shuangyashan city to conduct investigations and study. He respectively inspected the country fair trade town of Jixian County and several enterprises, including a marble plant.

Yue Qifeng said: Shuangyashan city is an industrial city with rich coal resources. So, it is very important for the city to grasp coal production. However, an economically strained situation will certainly emerge if this city only lays an emphasis on coal production at the expense of neglecting the development of other industries and diversification of the economy. Therefore, we should attach importance to the development of the county-level economy but must not simply regard the rural areas as an accessory to urban areas. As long as the rural economy is well developed, essential changes will take place in the overall economic pattern.

Yue Qifeng maintained: Up to now, our province has been subject to the pattern of a planned economy because although we stand by a gold mountain, we live a poor life. Our province's wasteland, lakes, and coal fields are important resources. But, we do not make good use of them. Our province still fails to turn its special products, such as aquatic products and mountain products, into advantages of appropriate scale. Therefore, we should give free rein to vigorously developing town and township enterprises, and mobilize the masses to develop the natural resources in stages and then process natural resources intensively and precisely. So, the governments at various levels should create a favorable environment for town and township enterprises, and [words indistinct].

Yue Qifeng said: Town and township enterprises are important sources for secondary financial resources. So far, it has been necessary to change the current situation so that now 80 percent of the province's financial resources are from state-owned large enterprises. Heilongjiang will become hopeless if it does not develop secondary financial resources.

Yue Qifeng stressed: Emancipating the mind, changing ideas, straightening out the strategic ideology of economic development, being inspired with enthusiasm, making concerted efforts, and mobilizing the enthusiasm of all fronts is a major task ahead of the whole province. Only when we strive to grasp and fulfill this task can an overall economic development situation possibly emerge in Heilongjiang.

Jilin Trade Department Reports on Farming Sector Income

OW1506022394 Beijing XINHUA in English 0212
GMT 15 Jun 94

[Text] Changchun, June 15 (XINHUA)—About a quarter of the income of farmers in northeast China's Jilin Province comes from growing special local products, according to a report from the provincial trade department.

The province's specialities industry earned a total of 3.83 billion yuan last year, some 25 percent of the total output value of its farming sector.

Jilin has a good climate for growing some 20 special products, including ginseng, mushrooms, flowers, fruits, vegetables, frogs, silk and herbs.

Over the past few years, it has built 1,207 frog-raising centers, with a total output of 680 million frogs worth 300 million yuan. The areas for growing fruit trees, ginseng and flowers have doubled or tripled.

Some four major growing projects, including fruit trees and vegetables, have earned three billion yuan.

About 1.3 million households in the province have developed the "courtyard economy", under which farmers make money by selling special products they grow in their courtyards or gardens.

This added 1.1 billion yuan to the farmers' pockets.

In Tonghua City, a ginseng home, as it is called by many, the cash crop planting area last year reached 40,000 hectares, with the output value totalling 2.4 billion yuan. The income of 150,000 farmer households increased by 600 yuan.

Farmers in Fusong County also exported a wild herb to countries such as Japan, raising their per capita income by 100 yuan last year.

Liaoning Holds Meeting on Checking Fake Receipts

SK1406061994 Shenyang LIAONING RIBAO in Chinese 2 Jun 94 p 1

[By reporter Ju Zhijia (72631807 0502): "Strengthen Management Over Receipts and Stop the Loss of Taxes"]

[Text] Take action immediately, strengthen receipt management work, and guarantee the smooth implementation of the new tax system. This was proposed at the provincial meeting on launching a special struggle against the law-breaking and criminal offenses of forging, reselling, and stealing receipts held in Xingcheng on 18-20 May.

Directors of tax bureaus of 14 cities across the province attended the meeting. The participants summed up and

exchanged experiences in dealing blows to fake receipts during the previous stage and defined tasks for launching this special struggle in the near future. Five models, including Shenyang, Anshan, Dandong, Fuxin, and Chaoyang, introduced their experiences.

The meeting pointed out: If we fail to properly manage special-purpose receipts, direct and big losses of taxation of the state will inevitably be created and reform of the tax system will be a failure. Therefore, tax departments at all levels should regard the management of special-purpose receipts as an important means for guaranteeing the smooth implementation of the tax system reform and enhance the sense of responsibility and urgency. Certainly, strengthening management over special-purpose receipts does not mean to slacken efforts in the management of receipts that are not related to the value-added tax. Contrarily, we should step up our efforts to strengthen management and inspection in an effort to stop up the loophole in the management of tax revenue and financial affairs and guarantee that the state taxation and property will not be infringed.

The meeting held that at present the most serious and harmful thing reflected in the problem on receipts is the

forging, reselling and stealing of special-purpose receipts related to value-added tax. Using receipts to engage in law-breaking and criminal activities such as tax evasion has become a social nuisance in society. It affects many sectors, and most of these law-breaking and criminal activities are carried out covertly. It is not easy to discover and solve this problem by relying only on the inspection of tax departments. It is necessary to maintain close coordination with the public security, judicial, and procuratorial departments and take joint actions. Tax departments at all levels, when they discover the law-breaking acts of forging, reselling, and stealing receipts during their inspection and when these acts constitute a crime, should promptly transfer the persons involved to the judicial organs for punishment.

The meeting stressed: Like we treat the banknotes, we should consider strengthening management over receipts as a major affair and grasp it firmly and well. We should investigate and handle each and every law-breaking and criminal activity of forging, reselling, and stealing receipts we discover, resolutely check the law-breaking acts of using receipts to bring a series of harm to society, and create a good environment for the smooth implementation of the new tax system.

Li Teng-hui Remarks Intended To 'Split' Motherland

OW1506062994 Beijing XINHUA Domestic Service in Chinese 0110 GMT 14 Jun 94

[Roundup by a XINHUA reporter: "Li Denghui's (Li Teng-hui) Remarks Intended To Split the Motherland Have Aroused Grave Concern From the People on Both Sides of the Strait"]

[Text] Beijing, 14 June (XINHUA)—Of late, Taiwan's preeminent power-holder Li Denghui went to some Central American countries and South Africa to blow his own trumpet there, trying to buy over some people to support Taiwan's "return to the United Nations." He unscrupulously spread statements within and outside the island intended to split the motherland, attacking and vilifying the Communist Party of China [CPC]. What Li Denghui has done has aroused grave concern from the people on both sides of the strait.

From 4 to 16 May, Li Denghui was active in Nicaragua, Costa Rica, South Africa, and Swaziland. During this period, he said on many occasions that Taiwan "must engage in diplomacy as a sovereign country and that Taiwan 'will not retreat from its stand of joining the United Nations'." He slandered China's leaders as having a "rigid concept" (originally from the Japanese, meaning "as hard as cement") and even shouted an abuse, calling mainland leaders "bandits." Before his visit to these countries, during his "frank dialogue" with a Japanese writer on the island of Taiwan, he said he would like to talk about "the sadness of the Taiwanese people," saying that Taiwan, recovered by China from the hand of the Japanese aggressors, had been ruled by "a foreign political power," that the call of the Chinese communists for cross-strait reunification was "a strange rigmarole," and that "the term China is ambiguous." He also styled himself as Moses who led the Jews out of Egypt to build a new country. He also said he had been a Japanese until he reached age 22. On 20 May, when he attended the extraordinary meeting of "the National Assembly" in Taiwan, Li Denghui once again declared: "One China is our future objective, but it does not exist at present." Once again he was selling his so-called theory of "two China's," one of which is the "Republic of China on Taiwan."

Public opinion inside and outside of Taiwan showed that these splittist remarks by Li Denghui "have truly revealed his true features." In recent years some principal power holders in Taiwan have switched from pushing "elastic diplomacy" and "essential diplomacy" to "pragmatic diplomacy" and "vacation diplomacy," and switched from a policy of "two Chinas as a phase," raised at the Seattle Asia-Pacific Economic Cooperation forum last winter, to the recently raised policy of "accepting dual recognition by South Africa of both sides of the strait." This amply shows they are moving toward the path taken by the advocates of "Taiwan independence." A columnist on the island commented

by saying: "In the past, the DPP [Democratic Progressive Party] has been publicizing the "Taiwan independence" ideal, but this is no longer the DPP's patent. What the KMT is doing "pragmatically" now is promoting "Taiwan independence." A Hong Kong newspaper, in a signed article, points out: Recently Li Denghui "made one rigmarole after another; he is distorting history." He said "nonsensically that there is the 'Republic of China on Taiwan.' Actually, it is 'independent Taiwan' and is also 'Taiwan independence.'" In an editorial, Taiwan's LIAN HE BAO [LIEN HO PAO] said: If Li Denghui's doctrine of "foreign political power" exists, then it is necessary to "smear or revise history." Remarks about "the sadness of the Taiwan people" and "foreign political power" are originally the principal views of the advocates of "Taiwan independence." By taking the lead in "staging this kind of show," Li Denghui is trying "to stir up sentiments" and "incite enmity." By styling himself as Moses in the Bible, he "is not honest with himself." At a discussion meeting, a person from the press circle called these remarks of Li Denghui "helpful to the 'Taiwan independence' movement" and "harmful to the Chinese people."

XINHUA Cites Businessman's Praise of Qiandao Trial

OW1206131494 Beijing XINHUA in English 1309 GMT 12 Jun 94

[Text] Hangzhou, June 12 (XINHUA)—A businessman from Taiwan said here today that the trial for murder in the March 31 Qiandao Lake tragedy has helped the public know the truth of the case.

Steven Lin, general manager of Soaring Travel Service Ltd. of Taiwan, said this after listening to the verdict in the courtroom this morning. He also listened to court arguments and final pleadings of the accused yesterday.

Wu Lihong, Hu Zhihan and Yu Aijun were found guilty of robbing and murdering 24 Taiwanese tourists and eight mainland crew in the boat-fire tragedy on Qiandao Lake in eastern Zhejiang Province and sentenced to death by the Hangzhou intermediate court earlier today.

The 24 Taiwan victims were all part of a tourist group organized by Lin's travel service.

Lin said that in the process of the trial, "everything was dealt with according to law."

He has told relevant departments on the mainland that he wants to take the recording and video tapes of the trial back to Taiwan so that the relatives of the victims can know the details of the trial.

According to Lin, a very high percentage of tourist services in Taiwan focus on business with the Chinese mainland. Therefore, he said, the boycott on tourists to the mainland by Taiwan authorities since the multiple murder in May has caused "great losses" to Taiwanese tourism businesses.¹

"A boycott cannot solve the issue of the Qiandao Lake case," he said. He called on the Taiwan authorities to lift the boycott during the present peak season so as to revive the tourism links with the mainland.

Concessions Made in Bid To Enter GATT
OW1506074694 Taipei CNA in English 0649 GMT 15 Jun 94

[By Debbie Kuo]

[Text] Taipei, June 15 (CNA)—Taiwan is making more concessions in removing tariff and nontariff barriers in an effort to pave the way for the country's smooth entry into the general agreement on tariffs and trade, or GATT.

Import restrictions on a host of farm products, including turkey meat, whole duck and 16 types of fruit, including apples, peaches and apricots, will be removed, as will area restrictions, according to Council of Agriculture (COA) officials.

The tariff concessions will be finalized by an interministerial GATT strategy task force on Thursday [15 June]. The task force originally was to have met later this month, but moved the meeting up "because time is pressing."

Taiwan is expected to submit a list of its market-opening moves before a GATT special working party convenes its sixth meeting screening Taiwan's application for GATT membership in late July.

The task force will also discuss Taiwan's opening up to rice imports, the officials added.

In liberalizing its rice market, Taiwan will not insist on adopting the "Korean formula," which will allow rice imports of up to 4 percent of domestic consumption within 10 years, but will sacrifice some of its own agricultural production to foreign imports.

It is likely that Taiwan will take a road midway between the Korean and Japanese formulas. The Japanese formula stipulates that the country will open 4 percent to 8 percent of its market to foreign rice in six years, but without opening up its market to other agricultural products.

Meanwhile, Taiwan officials will hold other tariff-reduction negotiations with more GATT member countries in early July before the GATT special working party meets.

The Taiwan delegation, to be headed by Vice Economics Minister Sheu Ke-sheng and Board of Foreign Trade Director-General Y.C. Huang, will hold bilateral tariff and nontariff negotiations at Geneva with officials from Mexico, Argentina, Hong Kong, Singapore, New Zealand, Australia, and most European countries.

Taiwan is also scheduled to hold its third round of trade negotiations with the United States in mid-July. A ministry official said that if the United States finds Taiwan's offer to slash tariffs, remove area restrictions and open up the service market satisfactory, it would go a long way toward solidifying Taiwan's GATT entry.

Foreign Ministry 'Welcomes' U.S. Vote on UN Seat

OW1506075994 Taipei CNA in English 0743 GMT 15 Jun 94

[By N. K. Han and Sofia Wu]

[Text] Taipei, June 15 (CNA)—The Republic of China [ROC] welcomes the U.S. Senate resolution supporting its bid to join the United Nations and other international organizations, the Ministry of Foreign Affairs said Wednesday [15 June].

"We are grateful for the U.S. Senate support and hope the U.S. executive branch can implement the resolution," said a ministry official, who spoke on condition of anonymity.

The resolution, introduced by Sen. Paul Simon (D-Ill.) and unanimously passed by the Senate by voice vote on June 10, says the U.S. President, acting through the U.S. permanent representative to the United Nations, should encourage the UN to permit Taiwan to participate fully in the activities of the UN and its specialized agencies.

The resolution, printed in the congressional record, also says that cabinet-level exchanges between Taiwan and the United States should take place in the interests of both nations.

The Foreign Ministry official said the resolution is not expected to have a strong binding force on the U.S. administration at the moment.

"Nevertheless, we still hope more similar calls will mount in the U.S. in the future to support our UN bid and high-level Taipei-Washington exchanges," the official said. "If we can win the support of the U.S. media and public, we believe the U.S. Government will weigh their opinions while dealing with Taiwan-related issues."

The preamble of the resolution notes that the U.S. has had a long history of friendship with the Republic of China, that Taiwan is now a strong, vibrant economy having the largest foreign exchange reserves of any nation, and that Taiwan respects human rights and routinely holds free and fair elections in a multiparty political system.

The preamble further says that Taiwan has much to contribute to the work and funding of the UN, and that it is in the interest of the U.S. and the UN to maintain good relations with a government and an economy as significant as that of Taiwan.

Labor Council Adopts New Minimum-Wage Plan

OW1406144794 Taipei CNA in English 1332 GMT 14 Jun 94

[By Benjamin Yeh]

[Text] Taipei, June 14 (CNA)—The Council of Labor Affairs at a screening meeting Tuesday [14 June]

adopted a formula tying the minimum wage to the consumer price index (CPI) and labor productivity rate.

Aimed to reduce conflicts between management and labor over wage hikes, the formula pegs the minimum wage to the CPI recorded in the previous year plus half the labor productivity growth rate.

In 1993, the CPI went up 2.94 percent on a year-earlier level while labor productivity gained by 3.44 percent, according to tallies of the Directorate General of Budget, Accounting and Statistics.

The minimum wage therefore will be raised by 4.66 percent, the council said, which would make the minimum monthly wage NT\$13,917 [new Taiwan dollars] (about U.S.\$516). A council official stressed that the figure would need to be slightly adjusted to take into account employees who are paid on an hourly or daily basis. The wage hike will take effect on July 1.

"The formula is simple and makes the accounting of wage hikes easy," Tung Tai-chi, the director of the council's labor conditions department, said, speaking of the new formula's merits.

Generally speaking, Tung added, the minimum wage will only increase or stay steady in the future. "Even if the CPI and labor productivity decline, the minimum wage at most will be frozen," he said.

Also on Tuesday, Premier Lien Chan approved in principle a proposed 3-percent wage hike for government employees, teachers and servicemen, also beginning on July 1. The proposal will cost the government an estimated NT\$11.2 billion.

Lin Yang-kang To Resign as Judicial Yuan Head

OW0806153494 Taipei CNA in English 1358 GMT 8 Jun 94

[By Benjamin Yeh]

[Text] Taipei, July 8 (CNA)—Lin Yang-kang, the ROC [Republic of China] presidential hopeful, said on Wednesday [8 June] that he will resign his post as president of the judicial yuan within a week.

Lin made the remark after the close of the regular meeting of the Kuomintang's decision-making Central Standing Committee, of which he is a member.

Lin, who has been at his present post for eight years, said he will tender his resignation in person to President Li Teng-hui, but he added that the time for the meeting has not been fixed.

The planned retirement is generally seen as the beginning of his campaign to be the next Republic of China [ROC] president. The presidential election is due in 1996.

\$55 Million in Loans Extended to Five Countries

OW1406122194 Taipei Voice of Free China in English 0200 GMT 13 Jun 94

[Text] The ROC [Republic of China] will grant \$55 million to five developing countries according to a ROC high-ranking official. Poland will be receiving \$20 million; the Philippines, Paraguay, and Latvia will each receive \$10 million in loans; and Vietnam will receive \$5 million in loans. The secretary general for the Executive Yuan's International Economic Cooperation Development Fund, (Chou Yan), refused to disclose the interest for these loans. He only said the loan interest for each country is different. Chou said this is the first time this year the ROC has given out loans to other countries but in the past five years Taiwan had already given out \$257 million in loans to more than a dozen countries. Chou said the purpose for the loans is to help these nations to develop their small and medium industries and they can later on develop larger industries. The ROC's foreign exchange reserves [words indistinct] \$86.8 billion, which is higher than most of the countries in the world.

Check on Flowers Intended for Japanese Market

OW1506080094 Taipei CNA in English 0729 GMT 15 Jun 94

[By Debbie Kuo]

[Text] Taipei, June 15 (CNA)—After laborious efforts and negotiations, Taiwan flower growers finally have persuaded Japan to run quarantine checks on Taiwan fresh-cut flowers intended for the Japanese market here rather than in Japan.

Japanese customs authorities agreed Wednesday [15 June] to apply the new quarantine procedure starting at the end of this year, according to a Council of Agriculture (COA) official.

Currently, all Taiwan fresh-cut flowers are quarantined by Japanese customs after arrival there. A majority of the flowers, however, are fumigated with methyl bromide after failing the stringent Japanese quarantine standards. Most flowers exported to Japan are chrysanthemums, but also include gladioluses and roses.

The fumigation seriously downgrades the appearance and life span of the fresh flowers, thus reducing the profits of the Taiwan flower growers and exporters, said Chen Chiu-nan, a division chief of the COA's food and agriculture department.

Once the Japanese officials start conducting quarantine checks in Taiwan, fewer fresh flowers will have to be fumigated and losses will be minimized, Chen asserted.

According to customs tallies, Taiwan exports an average of 5,200 metric tons of fresh-cut flowers worth U.S.\$11.27 million a year, of which 5,000 metric tons go to Japan.

Taiwanese Fishing Boat Detained by Argentine Authorities

OW1506081394 Taipei CNA in English 0737 GMT 15 Jun 94

[By Edward Chen and Sofia Wu]

[Text] Taipei, June 15 (CNA)—A Kaohsiung-based fishing boat is being detained at the port of Madryn in southern Argentina for allegedly intruding into that country's 200-nautical-mile economic zone, fishery officials confirmed Wednesday [15 June].

The "Man Wei No. 111" was caught by an Argentine naval patrol ship on Saturday, the officials said. The ship was guided to Madryn Tuesday for investigation.

A CNA dispatch from Buenos Aires, quoted the ship's agent in Argentina as saying that the ship and its 28-member crew are all in good condition.

The report said the satellite location recorder installed on the Man Wei No. 111 clearly showed the ship was located at a point 201.3 nautical miles off the Argentine coast when it was intercepted by the Argentine patrol boat. Moreover, its radar was not on, indicating that the ship was not operating.

Man Wei's captain, Tsai Tien-fu, had asked Argentine naval officers to sign a statement affirming the ship's location reading when it was intercepted to show that the boat was in international waters, the report said.

Argentine naval authorities are still questioning Man Wei's crew members for more information about its operations. They may ask the Argentine court to make a ruling later this week, the report said.

Huang Lung-yuan, Taiwan's representative in Argentina, said he will provide the Man Wei crew with all necessary support and assistance.

Meanwhile, fishery administrators said domestic squid prices have risen by nearly 60 percent in recent months because of dwindling catches.

Taiwan's squid catch stands at about 130,000 metric tons so far this year, down 30 percent from the year-earlier level, the officials said.

With fewer catches, the local squid wholesale price has climbed to about NT\$40 (U.S.\$1.48) per kilogram, compared with NT\$22 (U.S.\$0.81) recorded last year.

The officials attributed the decrease in squid catches in part to a United Nations ban on the use of driftnets in squid fishing. Moreover, the officials said, Argentina's attack and sinking of a Taiwan fishing boat in waters near its economic zone in May also adversely affected Taiwan's squid catches this year.

As the annual squid fishing season finishes at the end of this month, the officials said, domestic squid prices may rise further. The unusually strong squid demand in

Europe and Mainland China this year is also a reason behind the recent price hikes, the officials added.

Revised Book Copyright Law Takes Effect 12 Jun

OW1306091694 Taipei CNA in English 0735 GMT 13 Jun 94

[By Sofia Wu]

[Text] Taipei, June 13 (CNA)—Beginning Monday [13 June], Taiwan consumers will be forced to pay higher prices for books translated from foreign-language publications as sales of unauthorized translations of such works will become illegal.

The revised copyright law, which was passed by the Legislative Yuan two years ago under intense pressure from the United States, prohibits the publication of unauthorized translations of foreign publications.

Local publishers have been banned from printing unauthorized translations since the new copyright law took effect in June 1992. They were, however, allowed to sell unauthorized translations, which were printed before the law took effect, until June 12, 1994.

In order to clear out all the soon-to-be-illegal books before the deadline, local publishers and book dealers launched a series of sales in recent months, inspiring an islandwide book-buying frenzy.

Dealers offered big discounts to attract book buyers. Bookstores on Taipei's Chungching South Road were jammed with bargain hunters over the weekend to beat the June 12 deadline. Many people even came all the way from southern Taiwan to Taipei to hunt for reading bargains.

From now on, book dealers who display unauthorized translations of foreign works on their shelves face up to two years in jail.

Wang Chuan-lu, chairman of the Copyright Committee under the Ministry of the Interior, said Monday that enforcement of the new regulation will help Taiwan rid itself of its image as a "kingdom of commercial piracy" [no closing quotation mark as received].

Defense Ministry's Institute To Reduce Staffing

OW1306093394 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 12 Jun 94

[From the "Hookup" program]

[Text] The National Defense Ministry's Chungshan Science Institute, reputed to be the bastion for research and development of defense science and technology, will be forced to retrench its staff due to reduced programs and fund shortage, and it is expected to streamline the existing 18,000-member staff down to 9,000 over a period of four years.

According to Chao Chih-yuan, vice minister of national defense, the institute, in order to continue its capability to conduct research and development in defense industry, will retain the core defense science and technology personnel.

To some sectors of the public who are often skeptical of whether weapons and equipment developed by the institute with lavish funding can meet the basic defense needs, the elimination of superfluous and retention of primary personnel in the institute's upcoming staffing streamlining will, at least, save expenditure on nonessential personnel and avoid foolish waste. However, others are apprehensive that the measure to drastically reduce defense science and technology personnel may undermine the defense industry's foundation built with hard work and affect the country's future capability to develop defense industry.

The Chungshan Science Institute's personnel reduction plan will be carried over a period of four years beginning from 1995. The number of current 18,000 staff members will be reduced to about 9,000, including 7,000 for the headquarters, 900 for the aviation research institute, and 1,300 for the systems manufacturing center, while the 5,000-member aviation development center will be transferred to the Hanhsiang Company and will no longer belong to the Chungshany Science Institute.

Government To Build National Information Network

OW1506074794 Taipei CNA in English 0703 GMT 15 Jun 94

[By Y.C. Tsai]

[Text] Taipei, June 15 (CNA)—All government agencies will join hands to promote the National Information Infrastructure (NII) as part of the government's efforts to

sharpen Taiwan's international competitiveness and to build Taiwan into an Asia-Pacific business operation center, a cabinet minister said Wednesday [14 June].

Hsia Han-min, a minister without portfolio, said Premier Lien Chan gave the instruction on the NII program at a Tuesday meeting of the information-promotion task force.

To effectively promote the NII, also known as the "information superhighway," a supraministerial task force and a private consultative committee also will be established, Hsia pointed out.

Hsia, who was appointed to head the task force, pledged that the group will seek concerted efforts from both the government and the private sector to achieve Taiwan's information infrastructure goals.

Preliminary estimates show that government investment in various information and telecommunications projects might top NT\$100 billion (U.S.\$3.69 billion) in the next six years, he said.

The investment will have a great impact on the development of the domestic industrial base and on the well-being of the nation, he added.

Kuo Yun, president of the Institute for Information Industry, stressed that the domestic information industry will benefit from the NII program because of the host of trade opportunities it will bring.

The NII, which will use various information and telecommunications expertise to quickly transmit words, graphics, voices, and visions via computer networks, will greatly change lifestyles here, he elaborated.

For example, he said, upon completion of the information superhighway, students could choose to "attend" school at home via computer hookup, and people could engage in activities such as watching movies and shopping without going outside.

Hong Kong

Jiang Zemin Meets Manufacturers' Delegation OW1506045094 Beijing XINHUA Domestic Service in Chinese 1508 GMT 14 Jun 94

[By reporter Feng Xiuju (7458 4423 5468)]

[Text] Beijing, 14 Jun (XINHUA)—President Jiang Zemin, general secretary of the CPC Central Committee (CPCCC), met at the Zhongnanhai this evening with some members of a delegation of the Chinese Manufacturers' Association of Hong Kong, led by its president Herbert Liang. He held cordial conversations with them on how to continue and maintain Hong Kong's prosperity and stability.

Jiang Zemin pointed out: "We are sure that the way forward will not be very smooth. However, our determination in resuming the exercise of sovereignty over Hong Kong will be unshakable." Jiang Zemin expressed his full confidence in Hong Kong's prosperity and stability.

During the meeting, Jiang Zemin congratulated the Chinese Manufacturers' Association of Hong Kong on its 60th founding anniversary. He expressed the hope that the association would continue to strengthen its economic cooperation and ties with the mainland as well as make fresh contributions to the motherland's reform and opening up to the outside world and to Hong Kong's smooth transition, prosperity, and development.

Herbert Liang said: The delegation of over 80 members are very pleased to visit Beijing on the occasion of the association's 60th founding anniversary. He said: The association has opened an office in Beijing, aimed at strengthening its links with the capital and the mainland. Besides, the association and the All-China Federation of Industry and Commerce have jointly sponsored a seminar on economic and trade cooperation between Hong Kong and China's inner land and northern regions to explore opportunities and potentials for developing such economic and trade cooperation.

Present during the meeting were Ding Guangen, member of the CPCCC Political Bureau and the CPCCC Secretariat; Wang Zhaoguo, head of the CPCCC United Front Work Department; Jing Shuping, chairman of the All-China Federation of Industry and Commerce; and Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office.

Jiang Zemin Meets With Hong Kong Businessmen

OW1406160194 Beijing XINHUA in English 1538 GMT 14 Jun 94

[Text] Beijing, June 14 (XINHUA)—Chinese President Jiang Zemin met and had a discussion here this evening with a Hong Kong delegation on how to maintain the territory's stability and prosperity.

Jiang, also general secretary of the Central Committee of the Communist Party of China, told Herbert Liang, president of the Chinese Manufacturers' Association of Hong Kong and head of the delegation, "A common task that we are confronted with is how to maintain Hong Kong's stability and prosperity during its transitional period and after 1997".

Jiang urged Hong Kong people from all walks of life to unite and do everything beneficial to its stability and prosperity.

He said that the way forward will by no means be very smooth. But, he added: "Our determination in resuming the exercise of sovereignty over Hong Kong will be unshakable."

"I am full of confidence in Hong Kong's stability and prosperity", Jiang said.

During the meeting, Jiang congratulated the Chinese Manufacturers' Association of Hong Kong on the 60th anniversary of its founding.

He expressed the hope that the association will continue to strengthen its economic cooperation and ties with the Chinese mainland and make fresh contributions to the Motherland's reform and opening to the outside world and to Hong Kong's smooth transition, prosperity and development as well.

Liang told Jiang that his association has set up an office in Beijing aimed at enhancing its links with the capital and the mainland as a whole.

Besides, he said, the Hong Kong Association and the all-China Federation of Industry and Commerce have jointly sponsored a seminar on economic cooperation and trade between Hong Kong, China's inner land and the northern parts of the country to explore chances and potentials for developing such cooperation and trade.

Lu Ping Meets Delegation, Speaks on Airport, Other Issues

HK1506094294 Hong Kong WEN WEI PO in Chinese 15 Jun 94 p A11

[Report by staff reporter Li Hsiao-ping (2621 4562 0393): "Lu Ping on Need To Set Up Mechanism To Supervise Construction Costs, Progress of Hong Kong New Airport"]

[Text] Beijing, 14 Jun (WEN WEI PO)—Lu Ping, director of the Hong Kong and Macao Affairs Office (HKMAO) of the State Council, said here today that the Sino-British Airport Committee will continue to hold meetings this month to discuss financial arrangements for the new airport, and that after China and Britain reach an agreement on financial arrangements for the new airport, a supervisory mechanism should be established to pay close attention to construction costs and supervise the progress of projects.

Lu Ping made these remarks when meeting with the delegation of the Hong Kong Federation of Trade Unions headed by Chairman Li Chak Tim. He said that the differences between China and Britain over financial arrangements for the new airport are narrowing gradually and that China hopes to solve the problem of financial arrangements first, and then discuss the draft regulations of the Airport Authority. He reiterated that the Chinese side is not demanding that the financial burden on the future special administrative region (SAR) after 1997 not exceed HK\$5 billion, but according to the provisions of the Memorandum of Understanding, the two sides must negotiate if it exceeds that amount. At present, the Hong Kong government has financial reserves of over HK\$100 billion and the proceeds from the sale of the land along the airport railway will far exceed the originally estimated HK\$40 billion. Therefore, it is not difficult to resolve the financial arrangements for the new airport, and I hope the British Hong Kong Government will inject more money and reduce as much debt as possible. Lu Ping stressed that after the question of financial arrangements is resolved, it will be necessary to establish a supervisory mechanism, and in keeping with the principle of "low costs and high efficiency"—as expressed in the Memorandum of Understanding—it is necessary to pay close attention to construction costs so that costs will not rise continuously. At the same time, it is necessary to supervise the progress of projects and to strive to complete most of them before 1997. Therefore, it is necessary to strengthen the role of the Airport Consultative Committee, and the Airport Consultative Committee is also one of the channels. I hope that everyone will have a cooperative attitude, and will earnestly and properly resolve the new airport issue.

On the question of retirement insurance, Lu Ping said: The Economic Panel and the Social and Security Panel of the Preliminary Work Committee recently held meetings to discuss this question. They held that the question of retirement insurance for old people has a bearing on social stability and should be resolved at an early date so as to guarantee that people have something to depend on when they are old and so can work with their minds at ease. The committee members held that the retirement pension the British Hong Kong Government is pursuing is subsidized welfare and that a comprehensive staff retirement insurance system should be established first. Therefore, they hoped that the British Hong Kong Government would propose a comprehensive retirement insurance plan at an early date, extensively solicit views from all quarters again, and strive to settle the question before 1997. As for what form should be adopted, the two panels of the Preliminary Work Committee need to study the question further. However, most committee members tend to favor setting up a compulsory provident fund.

As for the question raised by members of the delegation that workers find it difficult to find jobs during the transition of Hong Kong's economic pattern, Lu Ping said: The Chinese Government has always been rather

concerned about this, and will strictly control some departments and regions in their labor services to Hong Kong so as to avoid an impact on the employment of the Hong Kong work force. The plan to export mainland professionals to Hong Kong is also under the HKMAO's direct control. Lu Ping said: The future development of Hong Kong's economic structure also should be based in industry because industry really can create value. The reason the securities markets of Tokyo, New York, and London are booming is that they are supported by strong industries. So far, the Chinese side has not considered discussing this issue with the British side. But out of the long-term consideration for a smooth transition, the Chinese side will put this question to the British side.

Lu Ping reiterated that the Basic Law already has clear stipulations on the question of civil servants' pensions. The future SAR's HK\$25 billion of financial reserves plus over HK\$100 billion of land reserve already can meet the needs of retirement pensions for civil servants in 1997. The pension for civil servants after 1997 is guaranteed both by law and by the financial status, so they can rest completely assured. The Chinese side supports the setting up of a civil service long-term service fund and is preparing to propose to the British side, through the Joint Liaison Group, a considerable increase in funds on the basis of the HK\$7 billion so as to put civil servants' minds more at ease. Moreover, the Basic Law also has stipulated clearly that except for the 20 or more top officials, all members of the civil service may continue in their posts as long as they are willing to serve the SAR. It is not necessarily true that the top officials cannot remain in their posts, but they must be nominated to the executive chief and be appointed by the central government. Some members of the delegation proposed that the SAR Preparatory Committee issue a notice in 1996 stating these views. Lu Ping expressed approval.

Speaking on property prices, Lu Ping said: The British Hong Kong Government's current measures to curb property prices are mainly to increase land supply. It will increase 15 hectares this year and will increase another 55 hectares before 1997. Moreover, it also has asked the Land Commission to increase an additional 50 hectares of land as a reserve. Together, they make up 120 hectares. This does not include the annually approved land, the 58 hectares of land along the airport railway, and the military land to be converted to civilian use. In this way, land supply after 1997 will be more than 200 to 300 hectares. The Chinese side worries that this will lead to a slump in property prices. Therefore, this question must be negotiated through the Sino-British Land Committee and handled carefully.

State Council HKMAO Deputy Director Wang Fengchao was present during the meeting.

In addition, asked by reporters today whether he would meet with British Foreign Office Minister Alastair Goodlad on his visit next month, State Council HKMAO Director Lu Ping said: Goodlad is a guest from

the Foreign Office and will meet with people from the Foreign Ministry. His visit this time is not intended for the Hong Kong issue, but to discuss Sino-British relations and other international issues. Lu Ping said that he would unavoidably have contact with Goodlad.

State Council Official Meets Trade Union Group
OW1506045894 Beijing XINHUA Domestic Service in Chinese 1344 GMT 14 Jun 94

[By reporter Gao Jianxin (7559 1696 2450)]

[Text] Beijing, 14 Jun (XINHUA)—Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, met a visiting Hong Kong Federation of Trade Unions delegation at the Hong Kong and Macao Center in Beijing this evening. Li Zetian and Zheng Yaotang are the chief and deputy chief of the delegation.

Lu Ping welcomed the visitors and expressed the hope that the federation would unify a broad range of compatriots who love their country and Hong Kong, and would continue making contributions to Hong Kong's smooth transition.

On the new Hong Kong airport, he said: The Airport Committee will continue discussing the fiscal plan proposed by the Hong Kong Government. We hope this issue will be solved at an early date. After solving the fiscal arrangements, we certainly will continue paying attention to the new Hong Kong airport's cost effectiveness and construction speed in accordance with the principles of "low cost and high return" prescribed in the Memorandum of Understanding on the New Airport. This is of great concern to the Hong Kong people. To exercise effective supervision, we should set up a monitoring mechanism. We hope most of the new airport projects will be completed before 1997.

The visitors broached the retirement security issue, which is of great concern to the Hong Kong people. Lu Ping said: The social and security affairs panel and the economic affairs panel under the Preliminary Working Committee of the Preparatory Committee of the Hong Kong Special Administrative Region recently held discussions on this issue. It is the committee members' unanimous view that the Hong Kong Government should implement a full-scale retirement security system. The form which such a system will take is subject to further discussion and examination. This is because the issue affects the security of Hong Kong employees' livelihoods. We hope the Hong Kong Government will draw up a retirement security plan as quickly as possible and implement it at an early date.

During the meeting, the visitors said: The federation is deeply concerned about the direction in which Hong Kong's economy is developing, as well as about the issue of labor import. In reply, Lu Ping said: "Some people in Hong Kong say that Hong Kong's industries should keep developing. I agree with this point because industry directly generates value. Without a strong industrial

base, the long-term development of stock markets and tertiary industries will be affected". On the issue of labor import, he stressed that the mainland would not export a large number of workers to Hong Kong as to affect Hong Kong workers' employment and lives. Lu Ping said: These issues do affect Hong Kong's smooth transition. I hope to consult with the British Hong Kong Government in due course.

During the meeting, Lu Ping also answered other questions of concern to the visitors.

Wang Fengchao, deputy director of the Hong Kong and Macao Affairs Office, was present during the meeting.

Qian Qichen Says Political Talk's Failure 'Thing of the Past'

HK1406134994 Hong Kong Television Broadcasts Limited in English 1200 GMT 14 Jun 94

[From the "News at 8:00" program]

[Text] Beijing is sending signals that Sino-British relations over Hong Kong may be thawing. A local delegation visiting Beijing has been repeatedly assured by senior Chinese leaders and officials that the time has come for cooperation. Linda Lee reports.

[Lee] The message came from the Chinese vice premier and foreign minister today. Qian Qichen was receiving a delegation from the Hong Kong Federation of Trade Unions at the Diaoyutai State Guest House. The tone of the Chinese vice premier was much milder than last year, when Beijing lashed out at Governor Chris Patten's political reform proposals. Qian was quoted as saying that the failure of the political talks last year is a thing of the past; now is the time to cooperate on economic issues. The Chinese vice premier also told the delegation that there has been good progress in recent defense land talks and negotiations on the new airport.

Meanwhile, Hong Kong and Macao Affairs Office Director Lu Ping revealed that the Sino-British Airport Committee will meet again sometime later this month, but he did not specify any dates. Lu hinted the gap between the two sides is narrowing.

[Begin Lu recording in Mandarin with English subtitles—processed from the Mandarin] From the angle of financial arrangements, we should say there is no difficulty; the British Hong Kong Government should inject more funds into it and reduce the size of debts. A solution can be found to that issue, and there should not be any obstacles. The gap between the two sides is narrowing. We are striving to resolve the issue as early as possible.

[Lee] On the pension scheme for civil servants, Lu told the federation that the \$7 billion proposed by the Hong Kong Government is not sufficient. China will raise the issue at the next Joint Liaison Group meeting.

Qian Qichen Says 3-Tier Councils Must Go in 1997

HK1506053094 Hong Kong *WEN WEI PO* in Chinese
15 Jun 94 p A11

[By staff reporter Weng Hsu-yuan (5040 0647 0954); "Qian Qichen Stresses Need To Reorganize Hong Kong's Three-Tier Councils After 1997"]

[Text] Beijing, 14 Jun—Vice Premier and Foreign Minister Qian Qichen met a delegation from the Hong Kong Federation of Trade Unions in the Diaoyutai State Guesthouse today. During the meeting he stressed that because the Sino-British talks on the constitutional system had broken up, Hong Kong's three-tier councils elected by the British Hong Kong Legislative Council will terminate on 30 June 1997, no matter what methods are adopted; these three-tier councils will be reorganized after 1 July 1997. He hoped that the Hong Kong Federation of Trade Unions will, under the banner of loving the country and Hong Kong, extensively unite people in all circles in Hong Kong and make contributions to Hong Kong's steady transition as well as its stability and prosperity.

Cheng Yiu-tong, deputy chief of the delegation, said after the meeting that Qian Qichen stressed that China and Britain are big countries and need to improve the current situation. Although the talks on the constitutional system have ruptured, there are still opportunities for both sides to cooperate in other fields, including the economic field. Recent talks on the new airport and military sites have made headway and the British Government will send personnel to Beijing soon. These indicate that there will be an improvement in Sino-British relations. That the three-tier councils will be reorganized after 1997 does not mean there is anything wrong with the members but because the electoral system was unilaterally decided by the British side, Qian Qichen said.

Cheng Yiu-tong quoted Qian Qichen as saying that he agreed that attention should be strengthened on the Hong Kong people's livelihood, because this is beneficial to maintaining Hong Kong's steady transition in the coming three years and the continuous development of the mainland's reform and opening up serves as a good guarantee for Hong Kong's steady transition.

Also present at the meeting was Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office.

Government 'Confident' on Political Reform Vote for 29 Jun

HK1506063494 Hong Kong *EASTERN EXPRESS* in English 15 Jun 94 p 4

[By Wing Kay-po]

[Text] The Government is confident it can muster sufficient support in the Legislative Council (Legco) to pass its electoral reform bill at the end of the month.

The confidence is due to the growing likelihood that the Liberal Party and independent members will have difficulty pushing through their package of amendments to water down the original government proposals.

Last night, a government official said although "a lot may happen" before June 29 when the electoral reform legislation would be debated in Legco, the government bill would be passed by a "reasonable majority". The official would not say how many votes the Government had secured but he said it was "confident enough" the bill would go through Legco intact.

The draft legislation is based on the original electoral reform proposals first announced by the Governor, Chris Patten, when he arrived in Hong Kong in 1992. The proposals, which would extend the electorate in the functional constituencies to cover the whole working population and establish an election committee made up of directly elected District Board members, provoked the wrath of China and started the long running Sino-British row.

A Liberal Party legislator, Selina Chow, would not say how many votes her party had secured for the package of amendments as they were still discussing this with some independent legislators.

Chow said there were still "many variables" affecting whether legislators would support their package.

The amendments—now known as the 1994 package—proposed by the Liberal Party and independent members is designed to reduce significantly the electorate in the functional constituencies from the original proposals.

Its proposal for the election committee also differs from the Patten package and is modelled on a four-part committee—comprising the professions as well as municipal council members—as stipulated in the Basic Law.

Some independent members who are vital to the outcome of the vote believe the 1994 amendments have only a "slim chance" of success.

It is believed the deciding factor will be the way legislators who are close to Beijing cast their votes. "The package would be a dead duck if they abstain", one member said.

Another legislator said that unless the Chinese side changed its stance and supported the diluted proposals, there was little chance they would be passed. China has said whichever package is passed on 29 June, it would not be able to straddle 1997.

"In that sense the 1992 [Patten] package and the 1994 package have equal status", he said.

Yesterday, the secretary for the pro-China Democratic Alliance for the Betterment of Hong Kong (DAB), Cheng Kai-nam, said his party still had to decide whether DAB's representative in Legco, Tam Yiu-chung, would

support the 1994 package. Cheng said they still had to wait and see what the Liberal Party's final position would be.

"They said one thing one day, another thing the next day. One time it's even been said that they would support Emily Lau's bill to have 60 directly elected seats.

"We can't say until we're sure what they're really up to", he said. Another member said the Government's attitude would be the deciding factor in whether the 1994 package would be passed.

"We don't know how keen the Government is to push their own proposals through; there hasn't been much lobbying so far.

"Perhaps the British have their own agenda—to mend the fence with China by letting the watered-down version pass", he said.

The government official denied the Government has been slack in lobbying legislators. He said the Government was lobbying legislators of "all shades of political opinion" to endorse its proposals.

"Both the Governor and senior government officials have been arguing intensely both in public and in private that the government proposals are the best for Hong Kong", he said.

Formal Meeting on Defense, Public Security Begins

OW1506054894 Beijing XINHUA Domestic Service in Chinese 0726 GMT 14 Jun 94

[Text] Hong Kong, 14 Jun (XINHUA)—The special defense and public security subcommittee under the Sino-British Joint Liaison Group began formal negotiations on 13 June after four days of informal meetings. Concerned parties here said that this indicates positive progress in Sino-British talks on the handover of Hong Kong military land.

Chinese and British representatives for the talks told the press yesterday that the two sides have narrowed their differences through the informal experts' meetings. They expressed hope that this formal meeting would bring forth a more positive outcome, and they would strive to reach an early agreement.

Chen Zuoer, Chinese representative for the special defense and public security subcommittee, said: Chinese and British experts have worked frantically hard with a positive and pragmatic attitude since 8 April. They have coordinated well both in and out of the meetings, and made progress in narrowing differences between the two sides with a fairly flexible work style. He said: Following the consultations, the 16th round Sino-British meeting on Hong Kong defense and public security has begun. We are looking forward to a more positive outcome and an early agreement from this experts' meeting.

British representative Alan Paul agreed with Chen Zuoer's remarks. He expressed hope that the formal meeting would yield positive and early results on this basis and pave the way for the liaison group's plenary meeting, to be held next week in Hong Kong.

Columnist Views Hong Kong Stability

HK1206051594 Hong Kong TZU CHING in Chinese No 6, 5 Jun 94 pp 17-20

["Commentary on Hong Kong Affairs" column by Jiang Haizong (3068 3189 1350): "Stability Is What the Young People Want"]

[Text] Hong Kong and mainland youth organizations recently conducted sample surveys of Hong Kong, Beijing, and Guangdong youths. The results of the surveys indicate that young people in these three regions put "social stability" in first place and a "perfect legal system" in second place. Young people are the most lively factor in society. They regard "social stability" as the first condition for their living environment. This fully suggests that social stability has become the main trend in the current mainland and Hong Kong societies. This general trend is what the young people wish to have.

Economic Prosperity Cannot Be Separated From Social Stability

A host of facts, ancient and modern, suggest that the prosperity and development of a country or region are closely related to its social stability. Without social stability, the economy will not prosper. Everyone has deep feelings about the positive and negative experiences in mainland reform and this is the same with Hong Kong's situation. Since the end of the war, Hong Kong has relied on its prolonged social stability in becoming an international financial, economic, trade, shipping, and tourist center, thus forming an effective operational mechanism. Social stability is an important factor.

Deng Xiaoping repeatedly stressed that stability must override everything else. During a recent meeting with Malaysian Prime Minister Mahathir, Jiang Zemin pointed out: "Over the last five years, our persistent efforts in maintaining stability and taking this as a matter of priority importance have resulted in China's economic development, social tranquility, and improvement in the people's lives. Facts have proved that this practice is absolutely correct." Being a country with 1.2 billion people, whether or not China remains stable has a global bearing. If an unbridled turmoil occurs, the country splits, war breaks out and spreads, and large numbers of refugees swarm out of the country seriously affect the tranquility of the countries and regions around China. In such cases, Hong Kong would be the first to suffer and the consequences would be disastrous. Therefore, China's stability is not for the sake of China's development alone but also benefits the stability and prosperity of Asia and the rest of the world. Facts prove that China's stability and development over the last 10

years have benefitted not only the Chinese people but also world peace and development.

The Chinese Government takes into account much of the mainland's stability, and accounts for Hong Kong's stability and prosperity. When China and Britain were holding talks on Hong Kong's future, the Chinese Government proposed safeguarding and preserving Hong Kong's social stability and economic prosperity and regarded this as an important objective. It was included in the Sino-British Joint Declaration. For this reason, the Chinese Government formulated the policy of one country, two systems, along with other basic principles, openly committing itself to maintain Hong Kong's social and economic system in such a way that it will remain unchanged for 50 years. All this has been confirmed in the Basic Law in accordance with the policy of one country, two systems. In the 10-year transitional period since China and Britain signed the Joint Declaration, the Chinese side has always abided by this principle stand in cooperating with the British side in handling all Hong Kong affairs. We believe this is known to all Hong Kong people and the international community. Although the British side has not kept its promises and has ruined Sino-British cooperation over the constitutional system, the Chinese side is still willing to cooperate with the British side on economic matters and the people's lives and materialize into a steady transition. This is the most convincing proof.

Hong Kong's Survival and Prosperity Are Closely Connected With the Mainland's Stability

In the past, some people described Hong Kong as the goose which laid the "golden eggs". Since the mainland introduced reform and opening up, Hong Kong has played a role in promoting the mainland's economic development.

But, as former British Foreign Minister Howe said in the British Parliament in December 1984: "In the greater part of the previous months, Hong Kong's survival has relied on cooperation provided by the Chinese side". This is a fact. The Chinese Government has for long kept a positive attitude on affairs beneficial to Hong Kong's social stability, the people's lives and economic development. Therefore, the Chinese Government has always insisted that Hong Kong must not become a base for sabotaging or undermining China, nor does it allow the mainland to affect Hong Kong's stability. When a turmoil occurred on the mainland during the "Great Cultural Revolution", Premier Zhou Enlai personally prohibited the Red Guards from entering Hong Kong. The mainland has always provided close cooperation and support in curbing all crimes, stopping smugglers, reducing the effects of stock crashes, delivering consumer goods and nonstaple food, and resolving water shortages.

Frequent economic exchanges between the mainland and Hong Kong constitutes a huge momentum for Hong Kong's sustained prosperity and the mainland's stable

development since the introduction of reform and opening up serves as an important guarantee for Hong Kong's sustained prosperity. It is exactly because of this that economic prosperity has prevailed on the mainland and in Hong Kong at a time when economic depression is sweeping the entire Western world. Obviously, whether or not the mainland remains stable has become an important factor affecting Hong Kong's economy, social stability, and its people's lives. The mainland's stability promoting Hong Kong's prosperity has become the Hong Kong people's common understanding.

The preservation of the mainland's stability and Hong Kong's prosperity and stability correspond with each other. We believe all people without prejudice understand that: Without stability on the mainland, Hong Kong could not have achieved its current prosperity and stability; any obstacle to the mainland's stability could be as bad as ruining Hong Kong's prosperity and stability.

The mainland's stability include the following two aspects: "One is stability in the political situation and the other is stability in policies". Deng Xiaoping pointed out: Apart from maintaining the stability of the reform and opening up policy, there must not be any change in adhering to the four cardinal principles, in adhering to the socialist system, and in adhering to the Communist Party leadership; these two "no changes" constitute the main factors for the mainland's stability. The mainland's socialist system is the main component of the policy of one country, two systems; only with the existence of this main component can other components exist. Without the skin, where can the hair grow? "Just imagine, if the socialist system changes in China, if the socialist system with Chinese characteristics under the leadership of the CPC changes, what will become of Hong Kong? Hong Kong's prosperity and stability could fall through." (Deng Xiaoping's remarks)

Coincidentally, some foreign politicians hold similar views to Deng Xiaoping. Former Singapore Prime Minister Lee Kuan Yew has always thought that Hong Kong's role lies in its economic value and objects to Hong Kong's confrontation with the mainland. Hong Kong is small and the mainland is powerful; in politics, it absolutely cannot confront the mainland, he said adding, "Should the CPC crumble, China would crumble; then there could be 30 to 40 years of chaos in China". During a recent visit to Hong Kong, Howe openly said, "Hong Kong must not be turned into a bridgehead for changing China. To attempt this would be extremely unwise. Hong Kong cannot change China and must not think it can change China; any attempt could only result in Hong Kong's devastation." During a debate in the British House of Lords not long ago, two former Hong Kong governors also mentioned issues concerning Hong Kong. MacLehose said, "The prospects of Hong Kong and China's economies thriving serve as the pillar supporting people's confidence. They are actually going smoothly. I hope political factors will not become interference in sight of this prosperity". David

Wilson pointed out, "At this moment, it is quite important to prevent a human-made split in Hong Kong society because, whatever it may be, it will finally involve the entire interests of Hong Kong and Hong Kong people". They both sincerely advised Hong Kong people not to confront the mainland or change the mainland's system because they had looked wisely at the facts and fully understood that any perverse move could have serious consequences.

As a matter of fact, many Hong Kong people fully understand this principle and that it will not do to change the mainland's system. Several days ago, an editorial by Hong Kong's *CHING CHI JIH PAO* [Economic Times] pointed out: "Hong Kong should not and cannot become a bridgehead for changing the mainland's system because it is not equipped with the necessary conditions; this is beyond its ability, so to speak. Second, this attempt could distort the policy of one country, two systems, and Hong Kong would suffer a lot. Third, this would deviate from Hong Kong's political reality and go against popular will. In terms of its geographical location and economic background, Hong Kong is closely related to changes in China's situation; how the situation in China changes will affect Hong Kong, but Hong Kong can only affect China economically and is absolutely not in a position to change China's politics". The editorial made these comments out of profound knowledge about China's and Hong Kong's situations.

In preserving the mainland's stability, there is a need to respect its socialist system and affairs. This is the meaning of adhering to the policy of "one country, two systems". The mainland's and Hong Kong's stability must be treasured, with mutual noninterference in each other's internal affairs but by maintaining good-neighborly relations, promoting each other, and making common development. Sabotage activities against the mainland must be opposed, the mainland's stability must be preserved, dialogue and cooperation with the mainland must be strengthened, mutual promotion must be upheld, and common development must be encouraged. This is Hong Kong's best choice for the present and future.

The British Side Has Caused Unrest in Hong Kong Society

The purpose of the Chinese Government in formulating the policy of "one country, two systems" in signing the Joint Declaration, and in carrying out cooperation with the British side is to ensure Hong Kong's steady transition and its prolonged stability and prosperity. But the signing of the Joint Declaration does not mean that we can relax our efforts in maintaining Hong Kong's stability and prosperity. Deng Xiaoping pointed out in 1982 that some people would create confusion during Hong Kong's transitional period and "these include not only foreigners but also Chinese, but mainly Englishmen". Later developments, particularly developments in the latter half of the transitional period, have proved that what Deng Xiaoping said was unfortunately, correct.

In the first half of the transitional period, there was cooperation between China and Britain. In the latter half, the British side has not strengthened cooperation with the Chinese side, as required by the Joint Declaration; instead, it has substituted confrontation for cooperation, completely reneged on the Joint Declaration, in a brazen attempt to fish for what it could not get at the negotiating table and at the expense of Hong Kong's stability and prosperity.

On the constitutional system, the British side has acted against the Sino-British Joint Declaration, the Basic Law's convergence principle, and the understandings and agreements reached between the two countries; it has intentionally undermined the talks on the 1994 and 1995 electoral arrangements, and unilaterally proceeded with what it wishes to do, thus dismantling the rail of the "through train" for a steady constitutional transition. On the legal system, the British side has speeded up the amendments of regulations and legislation and constantly put obstacles in the way of implementing the Basic Law; it has dished out a "Bill of Rights", which even Britain itself does not have, to make the Basic Law impracticable; it has disregarded judicial convergence, violated both sides' agreements, repeatedly delayed the establishment of the court of final appeal, and amended the New Territories Land Exemption Bill under the pretext of fake "gender equality", all aimed at casting aside the Basic Law and the Joint Declaration.

Recently it advocated the establishment of a so-called "human rights commission" in an attempt to form an adjudication institution which overrides the independent judicial system and destroys the future special administrative region's [SAR] independent judiciary. In the economic field, it has refused to carry out the overall financial arrangements which conform with the Memorandum of Understanding on the new airport's construction, real estate prices are soaring, and no one cares about coordinating transportation between Hong Kong and Shenzhen. All these are related to the British side's efforts in accumulating wealth by unfair means, in leaving a financial burden for the SAR, and in leaving unstable factors in Hong Kong's economy. On the question of government functionaries, the British side has refused to cooperate with the Chinese side and does not allow Hong Kong Government functionaries to contact the Preparatory Working Committee; in addition, it has ceaselessly talked about its readiness to consult with the Chinese side on the transition of Hong Kong senior public servants and its willingness to expedite the arrangements for the formation of public servants, in an attempt to deprive the future SAR chief executive and the central authorities of their powers.

The British side has spared no expense in undermining Hong Kong's social stability and steady transition because, as a British Parliamentary report acknowledged, Britain has changed its policy toward China and Hong Kong. The basis of this change is, obviously, its wish for the downfall of the Chinese Government before 1997 and for Chinese local regimes' separation from the

central government. In the final analysis, it wishes for disintegration and an unchangeable difficult situation in China. By then, China will be too busy to consider Hong Kong affairs and Britain will continue its administration of Hong Kong. At the very least, it wants its colonial influence to continue for a long time so that it can protect its colonialist interests. It is now the 1990's but these people's minds still remain in the previous century. So, it is correct to say that it is easy to change mountains and rivers but hard to change a person's character.

Those Who Undermine Social Stability Must Not Be Tolerated

Apart from provoking trouble, causing confusion, and undermining stability under the pretext of "democracy", "freedom", "equality" and "human rights" the British Hong Kong Government has also encouraged some political forces to constantly make trouble. Leaders of some organizations in Hong Kong are trying to overthrow the Chinese Government and change the mainland's socialist system. They constitute a force undermining Hong Kong's stability. They have excluded themselves from the Chinese people and are following foreign anti-China forces, advocating sanctions against China, and obstructing China's progress and development. They are opposed to anything favorable to China and are creating farces under the pretext of freedom of speech. If anything happens on the mainland, they take advantage of this opportunity to lead the citizens astray, instigate their sentiments against the mainland, and sow dissension between Hong Kong and the mainland.

As time goes by, the mainland has become increasingly stable and developed and the relations between Hong Kong and the mainland have become more extensive and close. Their attempt to undermine the mainland's stability and ruin Hong Kong's prosperity is clearly seen through by more and more Hong Kong people, their practice has enjoyed less popular support, and they have landed themselves in isolation from others. The Hong Kong people have gradually come to understand that if these people succeed in their attempt, not only will the mainland's stability and development be ruined, Hong Kong's stability and prosperity will also be destroyed. What these people have done does not enjoy popular support at all. They are trying by every possible means to carry out one activity today and another activity tomorrow but their efforts will come to naught.

To preserve Hong Kong's stability, the harmonious relations between Hong Kong and the mainland and the mainland's stability, Hong Kong citizens have reason to ask the British Hong Kong Government to strictly fulfill its commitment to "not allow Hong Kong to be turned into a base for hostile activities". If Hong Kong's stability and the harmonious relations between Hong Kong and the mainland are ruined because of the British Hong Kong Government's tolerance and support for the abovementioned activities, the British Hong Kong Government must be held responsible for the consequences in history. Social stability is what the people wish. All

people who love the country and Hong Kong and hope for the smooth implementation of the policy of "one country, two systems" should favor the mainland's stability and development and take preserving Hong Kong's stability and prosperity as their glorious duty. As long as all the descendants of Emperor Huangdi including the mainland and Hong Kong people strive for the invigoration of the Chinese nation while preserving the different social systems, the day is not far off when China will stand in the ranks of the strong nations of the world with its people working and living in peace and contentment and becoming healthier and better off.

Editorial Views Preserving Hong Kong's Value

[Editorial: "Preserve Hong Kong's Value to China"]

[Text] The 10th anniversary of the official signing of the Sino-British Joint Declaration falls on 19 December this year. For nearly 10 years since the signing of the Joint Declaration, China, Hong Kong, and the world have undergone enormous and profound changes. Reviewing the Joint Declaration and the background to and process of its signing at this important moment will help people obtain a more profound understanding of the great significance of preserving Hong Kong's value to China under the great principle of "one country, two systems."

What changes have happened in China, Hong Kong, and the world over the past 10 years or so? On the world scale, the biggest change is that the Cold War has ended, peace and development have become the theme of the times, and international relations have switched to a track dominated by economics. As far as mainland China is concerned, reform and opening up have further unfolded on an overall scale since the mid-1980's. Although it experienced the 1989 disturbances [feng bo 7364 3134] and the dramatic changes in the Soviet Union and Eastern Europe in the international arena, China's great undertaking of reform and opening up has managed to continue to develop and flourish amid acid tests and has become an irreversible historical trend. China has become the engine of Asia's economic development. As far as Hong Kong is concerned, it entered a transitional period upon the signing of the Joint Declaration. The Chinese Government's basic principles and policies toward Hong Kong laid down in Annex I of the Joint Declaration material.

Editorial Comments on UK Minister's Upcoming Beijing Visit

HK1506105194 Hong Kong TA KUNG PAO in Chinese 15 Jun 94 p 2

[Editorial: "Resumption of Cooperation Calls for Abandonment of Confrontation"]

[Text] The upcoming visit to China of the British Foreign Office Minister Alastair Goodlad was first disclosed by the British Foreign Office and then confirmed by the Chinese department concerned.

Although he is not coming to discuss the issue of Hong Kong, he should be coming to improve Sino-British relations and resume friendship and cooperation. Otherwise, the visit will be meaningless.

Some newspapers in Hong Kong have expressed a welcome for Goodlad's upcoming visit to China and have held that this is a sign of improvement in Sino-British relations.

In the past few years, Britain has erroneously estimated the situation in China and has changed its policy toward China, thus harming the friendship and cooperation between China and Britain. China has not developed in the direction of the illusions cherished by Britain but instead, has become more open, more prosperous, and stronger. Practice has proved that the British Government's confrontation with China goes against the global tide, does harm to its own interests, and does not have the support of the people. China is a vast market with an extremely large potential and is a country that holds the balance of the world. Whoever ignores her or even has trouble with her will come to grief. Not long ago, the Clinton administration was uncompromising in insisting on linking human rights with trade and claimed that it would not extend China's most-favored-nation [MFN] trade status if China did not "improve its human rights" situation according to their instructions. The Clinton administration had no alternative but to succumb to the reality of China's extraordinary development and finally extended China's MFN status without any conditions attached, expressing its willingness to strengthen trade and economic cooperation with China. At present, some economically large countries in the world are trying to have closer ties and cooperation with China. Can the British people think of why their government wants to have confrontation with China instead of taking an approach in the interests of the people? Recently, the Conservative Party of the British Prime Minister John Major suffered a total defeat in the parliamentary elections, losing all five seats; this was followed by bitter defeat in the European Council elections in which nearly half of the original 32 seats were lost mainly to the opposition, the Labor Party. This has evidently shown the voters' dissatisfaction with the British Government and John Major's position is in danger. Under such circumstances, the Major administration has no alternative but to look for some way out. Trying to improve relations with China and to resume cooperation is one of the way out.

The key to improving Sino-British relations is that Britain must abandon its erroneous policy of confrontation with China. A report issued recently by the Foreign Affairs Select Committee of the British Parliament discloses the situation of changes in the policy toward China by the British Government in recent years and also counsels the British Government about continuing its confrontation with China, thus adding fuel to the fire. If the British Government really wants to resume Sino-British cooperation, it must make an open statement on its stance toward that report.

People will judge whether or not Britain has the sincerity to improve its relations with China by its actions. Although Alastair Goodlad's visit to China is not for discussing the Hong Kong issue, he cannot avoid touching upon the Hong Kong issue and his visit cannot have any impact on how to handle the issue of Hong Kong. What Chris Patten practices in Hong Kong will be an important expression of the change in the British Government's policy toward China. If Alastair Goodlad really comes to improve relations and to resume cooperation, he should urge the British side to create an atmosphere of cooperation on the issue of Hong Kong and to negotiate and solve together with the Chinese side, some pressing problems such as those concerning the new airport, the military use of land, and so on.

Regarding the political structure, it is impossible to have Sino-British cooperation because the basis for such cooperation has been completely destroyed by the British side. Qian Qichen, State Council Vice premier and concurrently Foreign Minister, reaffirmed yesterday: "It does not matter whatever plan the 1994 and 1995 elections are carried out, the terms of office of those elected will only last till 30 June 1997 and after that, the councils concerned will be reorganized". However, China and Britain can cooperate in issues other than the issue of political structure, such as economic and social issues and issues concerning the people's livelihood. The Chinese side has always been sincere in such cooperation. So long as the proposals conform with the principle of state sovereignty and smooth transition and are in the interests of the economic and social development of Hong Kong and of the peaceful and contented lives and work of the residents, the Chinese side will adopt a positive attitude to negotiate with the British side and to solve all the problems in a fair and reasonable manner. Vice Premier Qian Qichen said that the breaking down of talks on the elections in 1994 and 1995 was something of the past and at present, the two sides should seek opportunities for cooperation on other issues.

Regarding solutions to problems of the new airport and land for military use, Qian Qichen, State Council Vice Premier and concurrently Foreign Minister, Lu Ping, director of the Hong Kong and Macao Affairs Office, and Chen Zuoer, representative of the Chinese side on the Defense and Social Order Subcommittee, have in the past few days adopted optimistic attitudes. They all believe that progress has been made in the talks and hope that agreements can be reached earlier rather than later. This shows that the Chinese side sincerely hopes to cooperate with the British side.

It seems the British side has been put to the test. If the British side shows a cooperative attitude at meetings of the Sino-British Joint Liaison Group and is willing to listen to fair and reasonable views from the Chinese side, the two sides will be able to reach agreements on the new airport and land for military use and this will show Alastair Goodlad's sincerity to improve relations and resume cooperation in his visit to China.

In short, since Alastair Goodlad wants to seek cooperation in Beijing, he should create a favorable atmosphere for cooperation before he starts his trip. This should be shown not only in words but also in deeds. Talking about Alastair Goodlad's visit to China, British Ambassador to China Robin McLaren said that the British side hoped to resume better relations but denied that the British side hoped to readjust the policy for Sino-British relations during the visit. We can only ask: Can China and Britain resume "better relations" if the policy toward China is not readjusted? What is the meaning of the remarks by the ambassador?

Former XINHUA Official on Role in Hong Kong
HK1506053694 Hong Kong EASTERN EXPRESS in English 15 Jun 94 p 4

[First installment in a series of articles by Huang Wenfang, a former official with XINHUA News Agency's Hong Kong Branch who retired from XINHUA in 1992 and now lives in Hong Kong]

[Text] I officially joined the Hong Kong branch of the New China News Agency (Xinhua) on January 5, 1950. Even though by the second half of 1949 I was already acting as "underground messenger" for the director of Xinhua, I was still not officially within the organization.

At the time, my principal task was youth work, where I was one of the leaders of the renowned leftist youth group, the After-school Social Club. The date of the official establishment of Xinhua was May 1, 1947, which means 1997 will be its 50th anniversary.

While I was one of the earliest cadres at Xinhua, I do not deserve to be called one of the founders of the branch.

The only founder still alive is the former head of the Foreign' Affairs Department, Tan Gan.

Xinhua was the first public organization of the Chinese Communist Party (CCP) that was set up abroad.

During the anti-Japanese war there was an Eighth Route Army administrative office in Hong Kong headed by Liao Chengzhi.

But this organisation still used a business name. Xinhua was the first to use the name of the Communist Party.

The decision to set up the branch was made by the (former premier) Zhou Enlai, the then secretary of the party's South China Bureau.

After the war, Zhou led the party's negotiating team from Chongqing to Nanjing for talks with the Kuomintang.

He decided to set up the branch in November 1946, just before leaving Nanjing to return to Yanan.

When he left Nanjing, Zhou was already thinking that a significant portion of the undercover work in "white

areas" (controlled by the KMT) in the struggle between the CCP and the KMT after the war would be shifted to Hong Kong

Hong Kong would become an important rear base for work in the KMT-controlled areas.

A significant portion of the core leaders would also be shifted to Hong Kong.

To meet with changes in work at the time, it was necessary to set up a public organization. After Zhou returned to Yanan, a significant portion of the work of the South China Bureau would be handed to the South China sub-bureau. Its headquarters would be set up in Hong Kong, headed by Fang Fang.

When Zhou left Nanjing he was already thinking that the majority of democratic figures, as well as a considerable number of specialist personnel within the party, should remain outside of Yanan and other areas of conflict in order to preserve their power.

He was also considering how to organize manpower and prepare skilled personnel for the upcoming struggle for political power.

A significant majority of specialists within the party—in particular those involved in international and cultural affairs, were sent to Hong Kong.

A great portion of the outstanding figures of the democratic parties were also in Hong Kong at the time.

Zhou Enlai decided that, apart from leaders of the Communist Party committee in Shanghai, most of the other party members in Shanghai, including Qiao Guanhua, Zhang Hanfu, and Pan Hannian, would move to Hong Kong.

Qiao Guanhua would be the first director of Xinhua.

At the time of its establishment, there were 15 staffs split into three groups.

The first was the five members of the Hong Kong administrative office of the East River Column (a party organization in eastern Guangdong).

The second group of five was in charge of the underground radio station run by the South China Bureau.

The third was the five in the editorial office of the former CHENG PAO (a party paper in Hong Kong which folded after the party's Shanghai newspaper moved to the territory).

At the time, there were two party organizations in Hong Kong—the party and the city work committees. Responsibilities were divided between the two.

The party committee handled above-ground work such as propaganda, united-front activities and policy research, while the city committee handled work among the masses.

Party committee members were half-open about their identities, but city committee members were very secretive.

Qiao Guanhua's official title was director of Xinhua, but his unofficial title was secretary of the party committee.

After obtaining a doctorate in Germany, Qiao worked in Hong Kong during the war against Japan and then went to Chongqing to act as Zhou Enlai's political secretary.

After liberation (1949), he remained in the Ministry of Foreign Affairs and eventually became minister.

Even though for a time when it was part of the underground party committee, Xinhua, it is most accurate to say, has always been a top-level post of the Chinese Communist Party.

No matter what time or under what circumstances this has always been its identity and the most accurate description of its character and position.

A "top-level post of the party" can be summed up briefly.

First, it is one set up and controlled by the party.

Second, it represents and holds responsibility for the party's work which falls within the scope of Hong Kong.

Third, "top-level" means it is the party's top organization in the Hong Kong region.

This is not to say Xinhua's internal identity has never changed.

When Qiao Guanhua founded the branch, Xinhua was essentially the same as the party committee and he was the committee secretary.

After liberation, there was a period of time when things were quite chaotic.

The party committee was dissolved and its work transferred to the South China subbureau in Guangzhou, whose secretary was Ye Jianying, the second secretary Zhang Yunyi and the third secretary Fang Fang.

The official title of Xinhua's second director, Huang Zuomei, was the representative of the South China subbureau in Hong Kong.

In the beginning, Zhang Tiesheng had no public rank or title.

Only when the Hong Kong government began issuing personal identity cards in 1950 did he take an official title—editor-in-chief of Xinhua.

I accompanied Huang and Zhang to collect their identity cards.

Many people say that the editor-in-chief of Xinhua at the time was Li Chong, which is not correct.

I think the only two people who know this now are Tan Gan and myself.

After Zhang Tiesheng was transferred, Huang Zuomei was promoted to special representative.

In 1952-53 the party committee for Hong Kong was reestablished in Guangzhou under the leadership of the South China sub-bureau and called the Hong Kong and Macau work committee of the CCP.

Its first secretary was Qu Mengjue, then the party secretary of Guangdong province, and the second secretary was Wang Kuang.

Many people do not understand why Liao Chengzhi sent Wang Kuang to take over as the director of Xinhua after the cultural revolution.

They believe Wang only handled propaganda work.

In fact, he had been handling Hong Kong work since the early 1950s.

When Mao Zedong came in on an inspection tour of Guangdong province in 1956 and checked on the Hong Kong work, he made critical remarks to the effect that it had always been done in Hong Kong and there was no reason to move it to Guangzhou.

He ordered the Hong Kong and Macao work committee transferred back to Hong Kong and sent Liang Weilin as third director of Xinhua.

Liang had been one of the leaders of the East River Column.

After it withdrew from the north, he was a politburo member of central Guangdong, becoming the party secretary in 1949. Before coming to Hong Kong he was the director of the Guangdong education bureau. He had worked for many years in Hong Kong.

His public title was director of Xinhua, but his real position was secretary of the Hong Kong and Macao work committee of the CCP. The deputy secretary was Qi Feng.

Only in 1990 was Hong Kong and Macao work separated. In the past, Macao work came under Hong Kong's leadership. The Macao branch of the New China News Agency was known internally as the Macao sub-committee and was under the leadership of Xinhua. Its secretary was a member of the Hong Kong and Macao work committee.

As the time approached for the return of sovereignty of Macao and its work took on unique features, the work was split into two new committees, the Hong Kong work committee and the Macao work committee of the CCP.

Shares of Mainland Enterprises Sell Well in Hong Kong

OW1506092394 Beijing XINHUA in English 0731
GMT 15 Jun 94

[Text] Shanghai, June 15 (XINHUA)—The stocks listed in the Hong Kong stock market by nine Chinese mainland state enterprises are eagerly sought after by investors.

These enterprises have raised 11.385 billion Hong Kong dollars by issuing 5.551 billion shares since July last year when they were first listed in Hong Kong.

This figure made up four percent of the total overseas investment in the Chinese Mainland last year.

These enterprises include the Qingdao Brewery, the Shanghai Petrochemical Works, the Beiren Printing Machinery Plant, the Anhui Maanshan Iron and Steel Complex, the Yizheng Chemical Works and the Tianjin Bohai Chemical Works.

According to experts here from Hong Kong's market, the reason why the "H"-shares are popular in Hong Kong is because these mainland enterprises, which are backed by government policy, have valuable property and their products have a ready market.

It was learned that 22 additional mainland enterprises are expected to get listed in the Hong Kong market this year.

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